

Shipping Board; to the Committee on Merchant Marine, Radio, and Fisheries.

Memorial of the Legislature of the State of Wisconsin, memorializing Congress regarding legislation to secure the farmers their cost of production; to the Committee on Agriculture.

Memorial of the Legislature of the State of Wisconsin, memorializing Congress to enact a law which will aid farmers and home-owners to retain their farms and homes; to the Committee on Banking and Currency.

Memorial of the Legislature of the State of Wisconsin, memorializing Congress to confine all contracts to be let for work on the Hoover Dam and other Federal construction projects to American firms and corporations; to the Committee on Expenditures in the Executive Departments.

#### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII,

Mr. YATES introduced a bill (H. R. 14661) granting a pension to Sarah Ann Jarvis, which was referred to the Committee on Pensions.

#### PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10389. By Mr. CROWTHER: Petition of citizens of Montgomery and Schenectady Counties, N. Y., opposing legalization of alcoholic liquors stronger than one-half of 1 per cent; to the Committee on the Judiciary.

10390. By Mr. GARBER: Petition of citizens of Alva, Okla., urging enactment of the stop-alien-representation amendment to the Constitution; to the Committee on the Judiciary.

10391. Also, petition of Roy Hoffman Camp, No. 8, United Spanish War Veterans, Chandler, Okla., protesting against attitude toward veterans' relief and activities of the United States Chamber of Commerce, the National Economy League, and certain individuals to further limit benefits provided by law; to the Committee on Ways and Means.

10392. Also, petition of Los Angeles Chamber of Commerce, urging protective legislation against importations from foreign countries with depreciated currencies; to the Committee on Ways and Means.

10393. By Mr. HOOPER: Petition of members of Women's Missionary Society, of Battle Creek, Mich., favoring the enactment of a law to regulate the motion-picture industry and support of Senate bill 1079 and Senate Resolution 170; to the Committee on Interstate and Foreign Commerce.

10394. By Mr. KVALE: Petition of the Young Women's Christian Association Council, Minneapolis, Minn., urging enactment of Senate Resolution 170 and Senate bill 1079; to the Committee on Interstate and Foreign Commerce.

10395. Also, petition of Woman's Club, Litchfield, Minn., urging enactment of Senate Resolution 170 and Senate bill 1079; to the Committee on Interstate and Foreign Commerce.

10396. By Mr. LAMNECK: Petition of the Frances Willard Branch, Franklin Woman's Christian Temperance Union, of Columbus, Ohio, petitioning Congress to establish a Federal motion-picture commission for the regulation of the motion-picture industry, and the passage of Senate bill 1079 and Senate Resolution 170; to the Committee on Interstate and Foreign Commerce.

10397. By Mr. LEWIS: Resolution of the Chamber of Commerce of Bethesda, Md., opposing any reduction in salary reductions to Federal employees; to the Committee on Expenditures in the Executive Departments.

10398. Also, resolutions of the Chamber of Commerce, Bethesda, Md., favoring a sales tax as a means of balancing the Budget; to the Committee on Ways and Means.

10399. By Mr. LINDSAY: Petition of W. A. Simpson, president, Los Angeles (Calif.) Chamber of Commerce, favoring prompt legislation to correct inequalities caused by depreciated currencies; to the Committee on Ways and Means.

10400. By Mr. PARKER of Georgia: Memorial of the citizens of Montgomery County, Ga., in mass meeting assembled,

submitted by John Underwood, secretary, protesting against the repeal of the eighteenth amendment to the Constitution of the United States of America; to the Committee on Ways and Means.

10401. Also, resolution adopted by the Kiwanis Club of Columbus, Ga., expressing disapproval of the acts of those Members of Congress who voted against increasing the Budget estimates for the Military Establishment of the United States in appropriations carried in the War Department appropriation bill for the fiscal year ending June 30, 1934; to the Committee on Appropriations.

10402. Also, petition of Hon. H. M. Blount and 31 other prominent citizens of Waynesboro, Burke County, Ga., urging an immediate investigation of the functioning of the Macon, Ga., branch of the Regional Agricultural Credit Corporation; to the Committee on Banking and Currency.

10403. By Mr. PERSON: Petition of Ada L. Griswold and 25 other residents of Walled Lake, Mich., favoring the stop-alien-representation amendment to the Constitution; to the Committee on the Judiciary.

10404. Also, petition of Bertha A. Lewis and 12 others, of Hazel Park, Mich., favoring the Steiwer and Rankin bills; to the Committee on World War Veterans' Legislation.

10405. Also, petition of the City Commission of the City of Pontiac, Mich., favoring House bill 14125; to the Committee on Banking and Currency.

10406. By Mr. RUDD: Petition of Los Angeles Chamber of Commerce, urging legislation to correct inequalities caused by depreciated foreign currency; to the Committee on Ways and Means.

10407. By Mr. SEGER: Petition of Chamber of Commerce of Paterson, N. J., favoring emergency legislation to protect American industries from exports of foreign countries of depreciated currencies; to the Committee on Ways and Means.

10408. By Mr. SWANK: Resolution by the Senate of the State of Oklahoma, memorializing the Congress of the United States to enact a law reducing first-class postage to 2-cent base rate; to the Committee on Ways and Means.

10409. By Mr. WELCH: Petition of the Board of Supervisors of the City and County of San Francisco, adopted on February 6, 1933, Resolution No. 625, urging that Congress set aside and apart February 15 for national observance of the birthday of Susan B. Anthony; to the Committee on the Judiciary.

10410. By Mr. YATES: Petition of John W. Bell, Alice C. McKemgh, Arthur R. Petrie, and other citizens of Chicago, Ill., urging support of the Dieterich bill, H. R. 14265; to the Committee on Banking and Currency.

10411. By the SPEAKER: Petition of Eduarda K. Baltuff (Harriss), urging an investigation of the smuggling of foreigners into this country; to the Committee on the Judiciary.

## SENATE

TUESDAY, FEBRUARY 14, 1933

(Legislative day of Friday, February 10, 1933)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The VICE PRESIDENT. The Senate will receive a message from the House of Representatives.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had passed without amendment the following bills and joint resolution of the Senate:

S. 4673. An act to amend an act entitled "An act to incorporate the trustees of the Female Orphan Asylum in Georgetown, and the Washington City Orphan Asylum in the District of Columbia," approved May 24, 1828, as amended by act of June 23, 1874;

S. 4694. An act to amend section 812 of the Code of Law for the District of Columbia;

S. 5289. An act to authorize the Commissioners of the District of Columbia to reappoint George N. Nicholson in the police department of said District; and

S. J. Res. 248. Joint resolution to amend the joint resolution entitled "Joint resolution to authorize the merger of street-railway corporations operating in the District of Columbia, and for other purposes," approved January 14, 1933.

The message also announced that the House had passed the joint resolution (S. J. Res. 223) establishing the United States Georgia Bicentennial Commission, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had passed bills of the following titles, in which it requested the concurrence of the Senate:

H. R. 6292. An act to prevent professional prize fighting and to authorize amateur boxing in the District of Columbia, and for other purposes;

H. R. 11504. An act authorizing the sale of certain Government property in the District of Columbia;

H. R. 12595. An act to amend the teachers' salary act of the District of Columbia, approved June 4, 1924, as amended, in relation to establishing the Wilson and Miner Teachers Colleges on a basis comparable with recognized standards for accredited institutions of like kind; to raising the trade or vocational schools to the level of junior high schools, and for other purposes;

H. R. 13378. An act to amend sections 416 and 417 of the Revised Statutes relating to the District of Columbia;

H. R. 13750. An act to regulate the bringing of actions for damages against the District of Columbia, and for other purposes;

H. R. 13853. An act to authorize the merger of the Georgetown Gaslight Co. with and into Washington Gas Light Co., and for other purposes;

H. R. 14204. An act to amend section 653 of the Code of Law for the District of Columbia;

H. R. 14340. An act authorizing the sale of certain property no longer required for public purposes in the District of Columbia; and

H. R. 14392. An act to authorize the payment of taxes and assessments on family dwelling houses in the District of Columbia in quarterly installments, and for other purposes.

#### APPROVAL OF THE JOURNAL

Mr. FESS. I ask unanimous consent that the Journal for the calendar day of Monday, February 13, may be approved.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

#### CALL OF THE ROLL

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Kean	Schuyler
Austin	Cutting	Kendrick	Sheppard
Bailey	Dale	Keyes	Shipstead
Bankhead	Davis	King	Shortridge
Barbour	Dickinson	La Follette	Smith
Barkley	Dill	Lewis	Smoot
Bingham	Fess	Logan	Stelwer
Black	Fletcher	McGill	Stephens
Blaine	Frazier	McKellar	Swanson
Borah	George	McNary	Thomas, Idaho
Bratton	Glass	Moses	Thomas, Okla.
Brookhart	Glenn	Neely	Townsend
Bulkeley	Gore	Norris	Trammell
Bulow	Grammer	Nye	Tydings
Byrnes	Hale	Oddie	Vandenberg
Capper	Harrison	Patterson	Wagner
Caraway	Hastings	Pittman	Walcott
Clark	Hatfield	Reed	Walsh, Mass.
Connally	Hayden	Reynolds	Watson
Coolidge	Hebert	Robinson, Ark.	White
Copeland	Hull	Robinson, Ind.	
Costigan	Johnson	Russell	

Mr. NORRIS. I desire to announce that my colleague the junior Senator from Nebraska [Mr. HOWELL] is detained on official business of the Senate.

Mr. FESS. I wish to announce that the junior Senator from Wyoming [Mr. CAREY] is detained on official business. I ask that this announcement may stand for the day.

Mr. SHEPPARD. I wish to announce that the senior Senator from Montana [Mr. WALSH] is necessarily absent, having been called from the city to attend the funeral of a friend.

I also wish to announce that the junior Senator from Montana [Mr. WHEELER] is still detained from the Senate by illness.

I ask that these announcements may stand for the day.

The VICE PRESIDENT. Eighty-seven Senators have answered to their names. A quorum is present.

#### UNITED STATES GEORGIA BICENTENNIAL COMMISSION

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the joint resolution (S. J. Res. 223) establishing the United States Georgia Bicentennial Commission, and for other purposes, which was, on page 2, to strike out lines 4 to 10, inclusive.

Mr. GEORGE. I move that the Senate disagree to the amendment of the House, ask for a conference with the House on the disagreeing votes of the two Houses thereon, and that the conferees on the part of the Senate be appointed by the Chair.

The motion was agreed to; and the Vice President appointed Mr. FESS, Mr. BINGHAM, and Mr. McKELLAR conferees on the part of the Senate.

#### PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following joint memorial of the Legislature of the State of Idaho, which was referred to the Committee on Public Lands and Surveys:

#### STATE OF IDAHO, DEPARTMENT OF STATE.

I, Franklin Girard, secretary of state of the State of Idaho, and legal custodian of the original enrolled copies of all acts passed at the various sessions of the Legislature of the State of Idaho, do hereby certify that the annexed constitute a full, true, and complete transcript of the original enrolled copy of House Joint Memorial No. 5, enacted by the twenty-second session of the Legislature of the State of Idaho and filed in this office on the 10th day of February, 1933.

In testimony whereof I have hereunto set my hand and affixed the great seal of the State. Done at Boise, the capital of Idaho, this 10th day of February, A. D. 1933.

[SEAL.]

FRANKLIN GIRARD,  
Secretary of State.

#### IN THE HOUSE OF REPRESENTATIVES.

#### House Joint Memorial 5 (by Judiciary Committee)

A joint memorial to the honorable Senate and House of Representatives of the United States of America in Congress assembled

We, your memorialists, the Legislature of the State of Idaho, respectfully represent that—

Whereas there is now pending before the Congress of the United States a bill to amend sections 5 and 8 of the Idaho admission act so as to permit mineral leases on public lands to be made for a term not exceeding 20 years and to permit the further exchange and consolidation of State and Federal lands within the State of Idaho; and

Whereas said bill proposes to amend section 5 of the admission act by permitting the State, under rules and regulations prescribed by the legislature, to add a portion of the annual income to the permanent funds; and

Whereas under the present Idaho admission act mineral leases are restricted to a 5-year maximum period capital for development can not be sufficiently interested nor can development be extensively undertaken for such a short period of time; as a result the mineral development of the State of Idaho is being greatly retarded and seriously interfered with; and

Whereas it is highly advantageous to both the State and Federal Governments to consolidate their respective holdings of public lands, thus affording to both an opportunity for increased earnings therefrom and reduction of expenses of administration thereof, and the Idaho admission act in its present form interferes with the satisfactory accomplishment of such exchanges and consolidation; and

Whereas it is deemed to be unwise so to amend the admission act as to authorize the State, in its discretion, to add a portion of the annual income to the permanent funds: Now, therefore, be it



*Resolved by the House of Representatives of the State of Idaho (the Senate concurring), That we most respectfully urge upon the Congress of the United States of America to eliminate from the amendatory act the provision authorizing the State, in its discretion, to add a portion of the annual income to the permanent funds, and upon the elimination of this provision we most respectfully urge upon the Congress that it immediately enact into law the said bill amending sections 5 and 8 of the Idaho admission act; be it further*

*Resolved, That the secretary of state of the State of Idaho be authorized, and he is hereby directed, to immediately forward certified copies of this memorial to the Senate and House of Representatives of the United States of America and to the Senators and the Representatives in Congress from this State.*

This house joint memorial passed the house on the 3d day of February, 1933.

ROBERT COULTER,  
*Speaker of the House of Representatives.*

This house joint memorial passed the senate on the 8th day of February, 1933.

GEO. E. HILL,  
*President of the Senate.*

I hereby certify that the within House Joint Memorial No. 5 originated in the house of representatives during the twenty-second session of the Legislature of the State of Idaho.

DONALD D. STEWART,  
*Chief Clerk of the House of Representatives.*

Mr. BRATTON presented the following memorial of the House of Representatives of the State of New Mexico, which was referred to the Committee on Public Lands and Surveys:

House Memorial 2 (introduced by S. S. Thurmond), relative to grazing of stock driveways

Whereas the purpose and intent of the stock driveways are being abused; and

Whereas the said driveways do not have the proper protection from owners of stock being grazed under herd: Now, therefore, be it

*Resolved That the Legislature of the State of New Mexico urges upon the Congress and Senate of the United States they make an investigation and pass proper legislation to prevent the abuse of the said stock driveways as is practiced to-day.*

Whereas the stock driveways are being grazed by owners of stock by keeping said stock under herd and flock and said stock are slowly driven one direction one day and returned the next day, resulting in driveways being overgrazed: Be it further

*Resolved, That copies of this memorial be forwarded to the United States Senators and Congressman from the State of New Mexico.*

ALVAN N. WHITE,  
*Speaker of the House of Representatives.*

Attest:

GENARO ARMILJO,  
*Chief Clerk of the House of Representatives.*

Approved by me this 10th day of February, 1933.

ARTHUR SELIGMAN,  
*Governor of New Mexico.*

Mr. NORRIS presented the following resolution of the Senate of the State of Nebraska, which was ordered to lie on the table:

Resolution to aid unemployed and homeless young men (introduced by Senator Frank McCarter)

Whereas there are millions of young men between the ages of 18 to 35 years who are numbered among the millions that are idle because of no fault of their own during this great depression that has swept over our beloved Nation; and

Whereas there is no immediate relief in view after a careful survey has been made by the leading statesmen of the country and some action must be taken immediately to aid this group of unfortunate citizens; and

Whereas the Government of the United States has spent vast sums of money in erecting great Army posts with proper facilities to house and feed these young men, and at the same time these men are being cared for those who volunteer can be given physical education and training that will be beneficial to their health and at the same time prepare them for any emergency that may come to our beloved country from any source, and the kindness and interest shown them by their Government will make them better citizens with greater love for their Government: Now, therefore, be it

*Resolved, That the Nebraska State Senate, in session for the Forty-ninth General Assembly, go on record in favor of the above action, and so inform the President elect, Franklin D. Roosevelt, and urge that he use his official influence with his Secretary of War to expedite and aid the millions of young American boys and young men by inviting those who desire to take advantage of the Government's willingness to be of service to them.*

Adopted February 2, 1933.

Mr. NORRIS also presented a resolution adopted by the House of Representatives of the State of Nebraska protest-

ing against the continuance of a Federal gasoline tax, which was ordered to lie on the table.

(See resolution printed in full when laid before the Senate by the Vice President on the 11th instant, pp. 3826, CONGRESSIONAL RECORD.)

Mr. NORRIS also presented a resolution adopted by the House of Representatives of the State of Nebraska favoring the passage of legislation repealing the packers and stockyards act (act of Congress of August 15, 1921) in so far as it authorizes or permits Federal authorities to fix charges for stockyard services at public stockyards and defining the packers and stockyards act, which was ordered to lie on the table.

(See resolution printed in full when laid before the Senate by the Vice President on the 11th instant, p. 3827, CONGRESSIONAL RECORD.)

Mr. GEORGE presented memorials, numerously signed, of sundry citizens and organizations of Dalton and Whitfield County, in the State of Georgia, remonstrating against the repeal of the eighteenth amendment of the Constitution or the repeal or modification of the national prohibition law, which were ordered to lie on the table.

Mr. HALE presented memorials of sundry citizens and organizations of Corinna and Cliff Island, in the State of Maine, remonstrating against the repeal of the eighteenth amendment of the Constitution or the repeal or modification of the national prohibition law, which were ordered to lie on the table.

Mr. TYDINGS presented the petition of Mrs. John Weichseldorfer and sundry other citizens of Baltimore, Md., praying for the passage of legislation to reevaluate the gold ounce and expand the currency, which was referred to the Committee on Banking and Currency.

Mr. HARRISON presented a resolution adopted by stockholders of the Newton-Neshoba National Farm Loan Association, in the State of Mississippi, indorsing a proposal for the making of loans to pay taxes at a low rate of interest, and favoring the refinancing of unpaid balances on farm loans (past due installments and delinquent taxes be included in refinanced papers), payments in refinancing to be readjusted so as to be lighter for a period of five years, and with lower rates of interest to enable farmers to pay their debts and taxes, etc., which was referred to the Committee on Banking and Currency.

#### CURTAILMENT OF COTTON PRODUCTION

Mr. SMITH presented the following concurrent resolution of the two houses of the Legislature of the State of South Carolina, which was referred to the Committee on Agriculture and Forestry:

A concurrent resolution indorsing the efforts of Senator E. D. SMITH, of South Carolina, to aid the farmers of the South by the reduction of the production of cotton as provided for in a bill introduced in the Senate of the United States to pool the 3,500,000 bales of cotton now controlled by the Farm Board or other governmental agencies, and to urge the passage of the same

Whereas there is now pending, or will be introduced, in the United States Senate a bill proposing to curtail the production of cotton for the year 1933 by a governmental pool of the 3,500,000 bales now controlled by the Federal Farm Board or governmental agencies; and

Whereas it is the sense of the General Assembly of the State of South Carolina that the proposed bill, if passed, will result in much benefit to the southern cotton farmers: Now, therefore, be it

*Resolved by the house of representatives (the senate concurring), That the General Assembly of the State of South Carolina heartily indorses the efforts of United States Senator E. D. SMITH, from South Carolina, to secure the passage of the legislation hereinabove referred to and urge upon the Members of Congress from South Carolina to exercise their influence in securing the passage of the same.*

That a copy of this resolution be forwarded to both of the Senators from South Carolina and to each of the Congressmen from this State.

The concurrent resolution was agreed to and ordered sent to the Senate.

#### PRICES OF CRUDE OIL

Mr. KENDRICK. Mr. President, I present a joint resolution adopted by the Wyoming Legislature. I ask that it be read at the desk and appropriately referred.

The VICE PRESIDENT. Without objection, the clerk will read, as requested.

The Chief Clerk read the resolution, as follows:

THE STATE OF WYOMING,  
OFFICE OF THE SECRETARY OF STATE.

UNITED STATES OF AMERICA,  
State of Wyoming, ss:

I, A. M. Clark, secretary of state of the State of Wyoming, do hereby certify that the annexed is a full, true, and correct copy of Enrolled Joint Resolution No. 4, Senate of the Twenty-second Legislature of the State of Wyoming, being original Senate Joint Resolution No. 5, approved by the governor on February 2, 1933, at 5.05 p. m.

In testimony whereof I have hereunto set my hand and affixed the great seal of the State of Wyoming.

Done at Cheyenne, the capital, this 10th day of February, A. D. 1933.

[SEAL.]

A. M. CLARK, Secretary of State.  
By C. J. ROGERS, Deputy.

Resolution requesting the President of the United States (1) to direct the Department of Justice to make an investigation for the purpose of determining whether the recent reduction in the posted price of crude oil produced in the Salt Creek field, Natrona County, Wyo., and in the Texas, mid-continent, and Rocky Mountain fields resulted from action in violation of the antitrust laws of the United States, whether there exists a bootleg traffic in the refined products of crude petroleum, either in Wyoming or in other States, which is in violation of the revenue laws of the United States and deprives the United States of revenue to which it is entitled; (2) to direct the Department of Justice to cooperate with the attorney general of the State of Wyoming in determining the violation of the revenue laws of the State of Wyoming and of the United States through the alleged bootleg traffic in the refined products of crude petroleum within the limits of the State of Wyoming and in exercising the authority of the United States and of the State of Wyoming to terminate any such violation of the revenue laws of the United States and of the State of Wyoming

Whereas the United States is the owner of the major portion of the land embraced in the Salt Creek oil field, located in Natrona County, Wyo., and the State of Wyoming is the owner of a school section of land within the limits of said field; and

Whereas said Federal and State lands are being operated under oil and gas leases granted by the United States as to the Federal land and under an oil and gas lease granted by the State of Wyoming as to the State land; and

Whereas the major portion of the production from said field is controlled and/or purchased by one major company, which, through itself or its subsidiaries, produces, purchases, and refines such crude oil; and

Whereas such major operating and purchasing company has made a drastic reduction in its posted prices for Salt Creek and other Rocky Mountain crude, and for crude production from Texas and mid-continent oil fields; and

Whereas the existing posted prices for said crude produced from Wyoming oil fields appear unwarranted by the prices of the refined products of such crude, and the action taken for such price reduction seems to be arbitrary in its nature; and

Whereas it is alleged that such reduction was in part caused by the bootlegging of the refined products of crude petroleum within the limits of the State of Wyoming and elsewhere; and

Whereas under the terms of the leasing act of Congress, approved February 25, 1920, the State of Wyoming receives 37½ per cent and the reclamation fund created by the act of Congress receives 52½ per cent of the bonuses, royalties, and rentals received upon oil and gas leases granted by the United States; and

Whereas the State of Wyoming receives royalties from the production of its school land in said Salt Creek field; and

Whereas the sale of the crude oil produced from the Salt Creek field at such low posted prices will cause material reduction in the oil royalties to be received by the State of Wyoming and the Federal Reclamation Service; and

Whereas the assessed valuation of the oil produced from said Salt Creek field and other oil fields within the State of Wyoming and sold, is the posted price of said oil at the time of sale, and unwarranted lowering of said posted prices reduces the taxable property valuation of the State to the detriment of all other taxpayers whose property valuation has not been and can not be likewise reduced through their own arbitrary action; and

Whereas the alleged bootlegging of refined products of crude oil would result in the loss of revenue to the Federal Government and to the State of Wyoming; and

Whereas the action taken by major oil companies in lowering the posted price of crude oil produced in the Texas, Mid-Continent, and Rocky Mountain fields tends to indicate that the action taken in lowering such posted price is in violation of the antitrust laws of the United States: Now, therefore, be it

Resolved by the Senate of the Twenty-second Legislature of the State of Wyoming (the House of Representatives concurring), That the President of the United States be and he is hereby requested to direct the Department of Justice of the United States—

1. To make a thorough investigation and determination as to whether such reduction in the posted prices of crude oil pro-

duced in the Texas, Mid-Continent, and Rocky Mountain States is the result of action taken in violation of the antitrust laws of the United States;

2. To make a thorough investigation as to the existence of a bootleg traffic in the refined products of crude oil produced in said Texas, mid-continent, and Rocky Mountain territory, and the extent of such traffic;

3. To request the proper officers of major crude oil operating and/or purchasing corporations to produce in detail any and all evidence in their possession as to the bootlegging of the refined products of crude oil in the State of Wyoming, in other Rocky Mountain States, in the mid-continent, and in the Texas territory;

4. To take such action under the laws of the United States as may be necessary to correct violations of the Federal laws and to insure the payment of the revenue due to the United States upon the refined products of petroleum;

5. To cooperate with the attorney general of the State of Wyoming so as to prevent bootleg traffic in the refined products of petroleum within the limits of the State of Wyoming, to punish those who violate the law, and to collect revenue due to the United States and/or the State of Wyoming; and, be it further

Resolved, That the President of the United States be, and he hereby is requested to communicate this resolution to the Congress of the United States, with request that the Congress, through its appropriate committees, join in such investigations or conduct independent investigations; and further that such investigations include all means whereby the petroleum resources of the States may be best conserved; and be it further

Resolved, That the attorney general of the State of Wyoming be, and he is hereby, requested to fully cooperate with the Department of Justice of the United States for the purpose of protecting the interests of the State of Wyoming in connection with the matters above set forth; and be it further

Resolved, That a certified copy of this resolution be forwarded to the President of the United States; that a copy be forwarded to the Attorney General of the United States; that a copy be forwarded to each member of the Wyoming congressional delegation; and that a copy be forwarded to the attorney general of the State of Wyoming.

WM. M. JACK,  
Speaker of the House.  
ROY H. CAMERON,  
President of the Senate.

Approved 5.05 p. m. February 2, 1933.

LESLIE A. MILLER, Governor.

The VICE PRESIDENT. The joint resolution of the Wyoming Legislature will be referred to the Committee on the Judiciary.

#### DEPRECIATED-CURRENCY SITUATION

Mr. GRAMMER. Mr. President, a few days ago there was printed in the RECORD a statement by Hon. Robert L. O'Brien, chairman of the Tariff Commission, in which he gave his reasons for opposing legislation to restore the balance of purchasing power between the United States and foreign countries which have gone off the gold standard. I have just received a copy of an official statement issued by the Secretary of Commerce which is a complete and very forceful reply to the views expressed by Mr. O'Brien.

In order that Senators may have equal opportunity to study the affirmative side of this important question I ask that the department's statement may be printed in the RECORD and appropriately referred.

There being no objection, the statement was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

DEPARTMENT OF COMMERCE,  
Washington, February 8, 1933.

Serious concern over the depreciated-currency situation which exists to-day in about 40 principal foreign countries is indicated by the rapidly increasing volume of correspondence reaching the department, supplemented by an unprecedented number of personal visits by business men.

An examination of the latest available foreign trade statistics does not indicate that we are experiencing what might be termed a flood of imports. The total quantity of goods imported during 1932 was 20 per cent less than in 1931 and 39 per cent smaller than in 1929. Imports of many commodities, however, are increasing, particularly of dutiable or largely competitive products.

The export trade of these depreciated-currency countries accounted for approximately 45 per cent (by value) of the total amount of goods moving in international trade during both 1930 and 1931. Of the total imports into the United States during 1932, approximately 60 per cent (by value) were from countries whose exchange is now depreciated. Of course, a large part of this 60 per cent consists of commodities noncompetitive with our industries.

Commodities numbering 232 were imported in greater volume during 1932 than in 1931. Of this number, however, 75 were free



of duty (largely noncompetitive products) and 157 were dutiable (largely competitive products). Excluding free imports from the Philippines and the Virgin Islands, approximately 10 per cent of the free goods (by value) were imported in increased quantities. In the case of dutiable goods, imports accounting for 18 per cent of the total value of dutiable goods were received in increased quantities.

Time is required for large-scale trading in commodities. The extent to which import competition in our domestic trade has developed during the past year, as a result of depreciated currencies, is not an adequate indication of the potential development.

From the standpoint of mechanics alone, a lag of several months must occur between the time a foreign currency begins to depreciate and the time when imports of individual commodities begin to increase. The depreciated-currency country must have or develop an exportable surplus. The foreign producer must arrange for United States agents or distributors, who in turn must develop or extend the market. This takes time. Even after this has been done the growth of imports may be temporarily stopped or retarded by "less than cost selling" by American producers. But a policy so ruinous and uneconomic can not long be maintained. Statistics for 1932 should, therefore, be taken, not as a measure of effect, but merely as an indication of the direction in which these forces are working.

The wholesale price level in United States is far out of line with levels prevailing in principal depreciated-currency countries. In most countries the suspension of gold payments halted the continuous decline in wholesale prices (in terms of depreciated currency) that has been under way since 1929. For the most part the increases in wholesale prices (in terms of depreciated currency) have been small and the general movement during the past year has tended to be horizontal. Foreign wholesale prices in terms of American gold dollars, on the other hand, have continued downward. In no instance has the increase in foreign wholesale prices (in terms of foreign currency) been sufficient to offset the effects of depreciation in exchange, even making allowances for the decline in United States prices.

The following figures provide a rough indication of the average changes in the United States and foreign prices since depreciation set in:

	Per cent change foreign whole- sale prices in terms United States dollars from month before depre- ciation set in to December, 1932	Per cent change United States wholesale prices during same period
Australia.....	1-58.8	1-31.7
British India.....	-37.7	-14.5
Canada.....	-21.6	-13.2
Denmark.....	-30.4	-13.2
Egypt.....	-44.2	-13.2
Finland.....	-35.6	-12.1
Japan.....	1-46.4	1-9.0
Norway.....	-35.3	-13.2
Sweden.....	-33.7	-13.2
United Kingdom.....	-31.5	-13.2

<sup>1</sup> November, 1932.

If currencies were depreciating in comparatively few countries, costs of production and price levels in those countries would seek the levels prevailing in stable-currency countries. But with conditions as they are to-day—more than half of the world's trade being carried on by depreciated-currency countries and stocks of important raw materials and foodstuffs exceedingly large—costs of production and prices in gold-standard countries tend to seek the levels prevailing in nongold countries. Until the costs of production and prices of some of our commodities are further reduced or some tariff adjustments made, imports should tend to supply an increasing proportion of our domestic needs.

The advantages possessed by a country on account of depreciated currency, or conversely the disadvantages suffered by a country on a gold basis from countries having depreciated currencies, although they can not be permanent, may be sufficiently prolonged to seriously injure some producers in the country on a gold basis, especially when so many countries are affected as at present. Lower costs of production abroad as a result of depreciated currencies not only may result in the domestic producer losing part of his domestic markets, but will probably also result in his losing part, if not all, of his share of sales in world markets. Depreciated currencies, therefore, have an important and adverse effect on export trade. Furthermore, the increased import at a lower price not only shrinks the market supplied by domestic production but also may make it impossible for the domestic producer to establish a reasonable price.

Inquiries reaching the department indicate that business men are as much concerned over disrupting influence of foreign quotations as evidenced by the hesitation in placement of domestic orders as they are over the actual volume of goods coming in at this time from countries with depreciated currencies.

Thus it may be seen that depreciated world currencies tend to increase our imports and to decrease our exports as well as to disturb proper price relationships.

#### REPORTS OF COMMITTEES

Mr. FRAZIER (for Mr. SCHALL), from the Committee on Indian Affairs, to which was referred the bill (S. 5219) to provide funds for cooperation with the Minnesota State Board of Control in the extension of the Minnesota State Sanatorium at Ah-Gwah-Ching, Minn., reported it without amendment and submitted a report (No. 1219) thereon.

Mr. FLETCHER, from the Committee on Banking and Currency, to which was referred the bill (S. 5337) to amend the Federal farm loan act, as amended, to permit loans for additional purposes, to extend the powers of Federal land banks in the making of direct loans, to authorize upon certain terms the reamortization of loans by Federal and joint-stock land banks, and for other purposes, reported it with amendments and submitted a report (No. 1221) thereon.

Mr. WAGNER, from the Committee on Banking and Currency, to which was referred the bill (S. 5609) to amend the emergency relief and construction act of 1932, reported it with amendments and submitted a report (No. 1222) thereon.

Mr. NYE, from the Committee on Public Lands and Surveys, to which was referred the joint resolution (S. J. Res. 253) authorizing the Attorney General, with the concurrence of the Secretary of the Navy, to release claims of the United States upon certain assets of the Pan American Petroleum Co. and the Richfield Oil Co. of California and others in connection with collections upon a certain judgment in favor of the United States against the Pan American Petroleum Co. heretofore duly entered, reported it with an amendment and submitted a report (No. 1223) thereon.

#### ENROLLED BILLS PRESENTED

Mr. VANDENBERG, from the Committee on Enrolled Bills, reported that on to-day, February 14, 1933, that committee presented to the President of the United States the following enrolled bills:

- S. 188. An act for the relief of Tampico Marine Iron Works;
- S. 222. An act authorizing adjustment of the claim of B. F. Hart;
- S. 1586. An act for the relief of the estate of Peter Paul Franzel, deceased; and
- S. 4339. An act repealing certain provisions of the act of June 21, 1906, as amended, relating to the sale and encumbrance of lands of Kickapoo and affiliated Indians of Oklahoma.

FEDERAL COURT QUARTERS AT WINSTON-SALEM AND ROCKINGHAM, N. C.

Mr. ASHURST. From the Committee on the Judiciary I report back favorably without amendment the bill (H. R. 6456) to amend section 98 of the Judicial Code as amended, and submit a report (No. 1218) thereon. It is merely a local bill, and I invite the attention of the senior Senator from North Carolina [Mr. BAILEY] to it.

Mr. BAILEY. Mr. President, I ask unanimous consent for the immediate consideration of the bill.

The VICE PRESIDENT. Let the bill be read for the information of the Senate.

The Chief Clerk read the bill (H. R. 6456) to amend section 98 of the Judicial Code, as amended, as follows:

*Be it enacted, etc.,* That the proviso in the fifth paragraph of section 98 of the Judicial Code, as amended (U. S. C., title 28, sec. 179), is hereby amended to read as follows: "Provided, That the cities of Winston-Salem and Rockingham shall each provide and furnish at its own expense a suitable and convenient place for holding the district court until Federal buildings containing quarters for the court are erected at such places."

Mr. BAILEY. Mr. President, I may say that an appropriation has heretofore been made for erecting buildings at Rockingham and Winston-Salem. This bill does not call for any additional appropriation or expenditure, but merely enables the architect to provide for the court rooms that are necessary there within the existing appropriation. That applies directly to Winston-Salem and, by way of permission, to Rockingham.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

#### BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HAYDEN:

A bill (S. 5637) for the establishment, development, and administration of the Boulder Canyon National Reservation, and the development and administration of the Boulder Canyon Project Federal Reservation, and for other purposes; to the Committee on Public Lands and Surveys.

By Mr. HALE:

A bill (S. 5638) for the relief of Thomas A. Sears (with accompanying papers); to the Committee on Naval Affairs.

By Mr. BLAINE:

A bill (S. 5640) to liquidate, finance, and refinance agricultural indebtedness, and to encourage and promote agriculture, commerce, and industry, through the Federal farm-loan system and the Federal reserve banking system, and creating a board of agriculture to supervise the same; to the Committee on Banking and Currency.

By Mr. McNARY:

A joint resolution (S. J. Res. 254) extending to the whaling industry certain benefits granted under section 11 of the merchant marine act, 1920; to the Committee on Commerce.

#### POSTPONEMENT OF MORTGAGE FORECLOSURES

Mr. HULL and Mr. WALCOTT introduced a bill (S. 5639) providing for loans or advances by the Reconstruction Finance Corporation for the purpose of securing the postponement of the foreclosure of certain mortgages for a period of two years, and for other purposes, which was read twice by its title and referred to the Committee on Banking and Currency.

Mr. HULL subsequently (for himself and Mr. WALCOTT), from the Committee on Banking and Currency, to which was referred the Senate bill 5639, reported it without amendment and submitted a report (No. 1220) thereon.

#### HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred to the Committee on the District of Columbia or ordered to be placed on the calendar as indicated:

H. R. 6292. An act to prevent professional prize fighting and to authorize amateur boxing in the District of Columbia, and for other purposes;

H. R. 11504. An act authorizing the sale of certain Government property in the District of Columbia;

H. R. 13853. An act to authorize the merger of the Georgetown Gaslight Co. with and into Washington Gas Light Co., and for other purposes; and

H. R. 14392. An act to authorize the payment of taxes and assessments on family dwelling houses in the District of Columbia in quarterly installments, and for other purposes; to the Committee on the District of Columbia.

H. R. 12595. An act to amend the teachers' salary act of the District of Columbia, approved June 4, 1924, as amended, in relation to establishing the Wilson and Miner Teachers Colleges on a basis comparable with recognized standards for accredited institutions of like kind; to raising the trade or vocational schools to the level of junior high schools, and for other purposes;

H. R. 13378. An act to amend sections 416 and 417 of the Revised Statutes relating to the District of Columbia;

H. R. 13750. An act to regulate the bringing of actions for damages against the District of Columbia, and for other purposes;

H. R. 14204. An act to amend section 653 of the Code of Law for the District of Columbia; and

H. R. 14340. An act authorizing the sale of certain property no longer required for public purposes in the District of Columbia; to the calendar.

#### EMPLOYEES AND SALARIES OF FEDERAL FARM BOARD AND OTHER ORGANIZATIONS

Mr. SHIPSTEAD. Mr. President, on yesterday I submitted a resolution seeking some information regarding the

amount of money paid to employees in the service of the various agencies created by the Federal Government to loan money to farmers. That resolution was read and is now on the table. I ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. Let the resolution be read for the information of the Senate.

The resolution (S. Res. 358), as modified, submitted by Mr. SHIPSTEAD on the 13th instant, was read as follows:

*Resolved*, That the Secretary of the Federal Farm Loan Board is requested to furnish the Senate, on or before March 1, or as soon thereafter as possible, but not later than March 15, 1933, with a report showing the total number of employees at the end of each fiscal year since its establishment and on February 1, 1933; the aggregate salaries paid to employees of the board in the fiscal year ending June 30, 1933, and estimated to be paid to them in the current fiscal year and in the fiscal year 1933-34; the total number of employees of the Federal land banks on December 31, 1931, and February 1, 1933; the aggregate salaries paid in 1932 to employees, full or part time, of the Federal land banks; the total number of employees of the joint-stock land banks on December 31, 1931, and February 1, 1933; the aggregate salaries paid in 1932 to employees, full or part time, of the joint-stock land banks; the total number of employees of the intermediate-credit banks on December 31, 1931, and February 1, 1933; and the aggregate salaries paid in 1932 to employees, part or full time, of the intermediate-credit banks; and the positions and names of the employees receiving more than \$2,000 per year on February 15, 1933.

Sec. 2. The secretary of the Federal Farm Board is requested to furnish the Senate, on or before March 1, or as soon thereafter as possible, but not later than March 15, 1933, with a report showing the total number of employees at the end of each fiscal year since its establishment, and on February 1, 1933; the aggregate salaries paid to employees of the board in the fiscal year ending June 30, 1932, and estimated to be paid to them in the current fiscal year, and in the fiscal year 1933-34; the total number of employees in the grain and cotton stabilization corporations, and in any other corporations formed under the provisions of the agricultural marketing act of 1929, on December 31, 1931, and February 1, 1933; and the aggregate salaries paid by each of said corporations to its employees, part or full time in 1932, and the positions and the names of the employees receiving more than \$2,000 per year on February 15, 1933.

Sec. 3. The Secretary of Agriculture is requested to furnish the Senate, on or before March 1, or as soon thereafter as possible, but not later than March 15, 1933, with a report showing the total number of employees on January 1, 1933, and on February 15, 1933, in the seed loan office; the aggregate salaries paid to employees of the seed loan office in the fiscal year ending June 30, 1932, and estimated to be paid to them in the current fiscal year, and in the fiscal year 1933-34; the total number of employees in the crop production loan office on January 1, 1933, and on February 15, 1933; the aggregate salaries paid to employees of the crop production loan office in the fiscal year ending June 30, 1932, and estimated to be paid to them in the current fiscal year and in the fiscal year 1933-34; the total number of employees in the agricultural credit corporations, and in any other corporations set up under the Reconstruction Finance Corporation act of 1932, as amended, on January 1, 1933, and on February 15, 1933; and the aggregate salaries paid to employees of said corporation or said corporations in 1932, and estimated to be paid to them in 1933, and the positions and the names of the employees receiving more than \$2,000 per year on February 15, 1933.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

Mr. BLAINE. Mr. President—

Mr. SHIPSTEAD. I yield to the Senator from Wisconsin.

Mr. BLAINE. If the effect of granting the request for unanimous consent would be to displace the pending motion—

The VICE PRESIDENT. It would not be.

Mr. BLAINE. Then, if the resolution will not provoke debate, I have no objection to the request for unanimous consent.

The VICE PRESIDENT. Is there objection?

Mr. ROBINSON of Arkansas. I understand the Senator has modified his printed resolution so as to include in it a request for information as to the employees of the Federal joint-stock land banks who are receiving more than \$2,000 per annum.

Mr. SHIPSTEAD. To the extent that information is requested as to the number of persons and who they are who receive more than \$2,000 a year, the resolution has been amended at the request of the Senator from Washington [Mr. DILL]. I accepted that amendment with the understanding that it would not lead to any controversy on the Senate floor.



Mr. FESS. Mr. President—

The VICE PRESIDENT. Does the Senator from Minnesota yield to the Senator from Ohio?

Mr. SHIPSTEAD. If the Senator from Arkansas has finished, I yield to the Senator from Ohio.

Mr. FESS. Mr. President, the question arose yesterday as to whether sufficient time was given to enable the desired information to be prepared. The time limit fixed in the resolution is March 15.

Mr. SHIPSTEAD. Not later than March 15, which gives about 30 days.

Mr. ROBINSON of Arkansas. Mr. President, I think the Federal Farm Board have most of the information called for in the resolution.

Mr. SHIPSTEAD. I think so.

Mr. ROBINSON of Arkansas. But it will be necessary to compile it, and it might be advisable to give a little more time.

Mr. FESS. That is the only question that arose in my mind.

Mr. SHIPSTEAD. How much time does the Senator think would be required? I am perfectly willing to extend the time.

Mr. FESS. I should say we should give them a month at least.

Mr. SHIPSTEAD. The resolution gives them a month.

Mr. ROBINSON of Arkansas. A month is given under the terms of the resolution.

Mr. FESS. I mean an additional month. Has the Senator made any investigation as to how long it will take?

Mr. SHIPSTEAD. They have all the books; they have all the records of their employees; and I think they can get the information here in 10 days. That is my opinion.

Mr. FESS. The Senator may recall that we adopted a resolution requesting similar information in connection with the Interstate Commerce Commission, but sufficient time was not allowed within which the information could be compiled. That is why I made the inquiry in this case.

Mr. ROBINSON of Arkansas. My impression is that the Federal Farm Board has all the information—

Mr. SHIPSTEAD. I think it has.

Mr. ROBINSON of Arkansas. That is called for by the resolution with respect to the Federal and joint-stock land banks, but that there would be compilations required which could probably be made within 30 days, depending upon the amount of work which the board has on hand and the number of employees available for making the compilations. There may be some information called for that is not in the possession of the board, I do not know about that, but I should think it could be furnished within 30 days.

Mr. SHIPSTEAD. I will say to the Senator from Ohio—

Mr. FESS. I will withdraw any objection.

The VICE PRESIDENT. The Senator from Ohio withdraws his objection. Is there objection to the present consideration of the resolution?

There being no objection the resolution was considered and agreed to.

#### INTERIOR DEPARTMENT APPROPRIATIONS—CONFERENCE REPORT

Mr. SMOOT. I present the conference report on the disagreeing votes of the two Houses on the amendments of the Senate to House bill 13710, making appropriations for the Department of Interior, and ask unanimous consent for the present consideration of the report.

The VICE PRESIDENT. The report will be read.

The Chief Clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 13710) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1934, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 6, 9, 25, and 26.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 4, 7, 8, 10, 11, 12, 13, 14, 15, 17, 18, 19, 20, 21, 22, 23, 24, 27, 30, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, and 46, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: In lieu of the matter stricken out by said amendment insert "(with the exception of attorneys)"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$355,000"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment, insert the following: "Provided further, That the unexpended balance of the appropriation contained in the Interior Department appropriation act, fiscal year 1932, for the construction and equipment of the Albuquerque Sanatorium, and employees' quarters, New Mexico, and not to exceed \$300,000 of the unexpended balance of the appropriation for the Sioux Sanatorium and employees' quarters, South Dakota, contained in the same act, are hereby continued available for the same purposes until June 30, 1934"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$110,000"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$210,000"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$1,992,500"; and the Senate agree to the same.

REED SMOOT,  
TASKER L. ODDIE,  
GERALD P. NYE,  
KENNETH McKELLAR,  
JOHN B. KENDRICK,

*Managers on the part of the Senate.*

EDWARD T. TAYLOR,  
W. W. HASTINGS,  
FRANK MURPHY,  
BURTON L. FRENCH,

*Managers on the part of the House.*

The VICE PRESIDENT. The Senator from Utah asks unanimous consent for the present consideration of the conference report. Is there objection?

Mr. BLAINE. Mr. President, a parliamentary inquiry. If the Senate shall agree to take up the conference report, that will not affect the pending motion, will it?

The VICE PRESIDENT. It is a privileged matter, and will not disturb the pending motion. Is there objection to the request of the Senator from Utah that the Senate proceed to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

The VICE PRESIDENT. The question is on agreeing to the conference report.

Mr. KING. Mr. President, I will ask my colleague to indicate briefly the changes which have been made, whether there have been any increases in the appropriations and from what amendments adopted by the Senate the conferees have receded?



Mr. SMOOT. Mr. President, I will first take up the amendments of the Senate from which the Senate conferees agreed to recede. The first one is on page 19, where the Senate appropriated for the Geological Survey \$373,000, whereas the House had appropriated \$315,000. In conference a compromise was reached, so that the appropriation as agreed to by the conferees has been reduced \$18,000.

On amendment numbered 6 the Senate conferees receded. That amendment inserted a provision reading—

And not to exceed \$2,500 may be used, in the discretion of the Secretary of the Interior, for paying in whole or in part expenses of Federal, State, or county extension agents and home-demonstration agents or specialists in extension work detailed for cooperative work in the Indian Service.

Mr. KING. The Senate receded from that amendment?

Mr. SMOOT. Yes; the Senate receded from it.

In the case of the Geological Survey, the Senate increased the amount of \$300,000 to \$325,000. In conference the Senate receded on that amendment.

It was also provided that not to exceed \$265,000 of that \$300,000 might be used to pay for personal services in the District of Columbia. The Senate, by amendment, increased that amount to \$280,000; and the Senate receded on that amendment. Each one of them is a decrease in the amount that the Senate sought to appropriate.

Mr. KING. I have no objection.

The VICE PRESIDENT. The question is on agreeing to the conference report.

The report was agreed to.

#### RAILROADS AND THE UNEMPLOYED

Mr. GEORGE. Mr. President, I ask that there be printed in the RECORD an article by Edward A. Filene, of Boston, which appeared in the February issue of Survey Graphic, entitled "Railroads, a Superhighway, and the Unemployed."

The VICE PRESIDENT. Without objection, it is so ordered.

The article is as follows:

#### RAILROADS, A SUPERHIGHWAY, AND THE UNEMPLOYED

By Edward A. Filene

The one essential service that distinguishes the modern world from the world of days gone by, and the less developed parts of the earth from the highly civilized ones, is swift, sure, and adequate transportation. The facilities for transportation are the bolts that hold the structure of civilization together. Without them it would fall to pieces.

I can hear some one immediately objecting that at the present stage of mankind's affairs we seem to have too much transportation, just as we might seem to have too much of almost everything that is offered for sale. We are experiencing a kind of inverted famine. We are hungry because we have too much to eat. We have too many freight cars, too many passenger cars, too many locomotives, too many miles of railway track, too many motor vehicles. Our railways are finding it hard to make both ends meet. Our automobile manufacturers have thrown into their new models improvements that might normally have been spread out over several years, in a valiant effort to stem the tide of diminishing business.

Such are the protests I expect to hear against a proposal which I believe contains the key to the solution not only of a long-standing economic problem but of our immediate difficulties. I suggest more, not less, transportation. I suggest that we stimulate the railways, not by crushing their natural competitors but by giving them competitors worthy of their steel. I suggest that we meet the depression not by retreating, not by digging in, but by a direct frontal attack. The way is forward. We shall arrive at our goal soonest by going toward it.

If with all the equipment of modern technology at our disposal we could see America as a new country, we would know very well what to do with it. The opportunities that would lie before us would of themselves drive away the shadow of hard times. In my opinion, if we compare what has been done on this continent with what may still be done, ours still is a new country.

About a year ago I was asked by some Chinese leaders to draw up a plan which would illustrate my ideas of what would contribute most toward stability and progress in that vast and crowded land.

I began by laying down the principle that the first necessity as well as the first duty of every worth-while reform is to stay alive and succeed, and that its second necessity and duty is to be its own successor. In other words, we do not want to build something to-day which will have to be torn down to-morrow. That is false economy. And we may safely assume that the Chinese people, like all other peoples, will support a government under which they can find an opportunity for work and adequate food and decent living. Like all other people, they have proved in recent years that lacking these necessities they will become

radical and revolutionary. The famines in China which in recent years have caused the death of many millions of Chinese were due, not so much to an actual lack of food, as to a lack of roads by which to get surpluses of food in one part of the land to people in dire need of it in another. In proportion to her population of 400,000,000, China has fewer roads than any other country in the world.

In answer to the request for help which was put to me, therefore, I drew up and submitted the following plan. I am summarizing it here, necessarily:

1. Plan automobile roads—main trunk lines—to stretch across the entire country, in every desirable direction.
2. Build these roads on a "grand scale." Provide for two express one-way roads in the middle, crossed only by bridges or tunnels. On each side of these express roads build a one-way road for nonexpress traffic, to be used for less speedy travel and for approach to city, town, and village streets and country roads.
3. Work on these roads should be begun and carried along their full length throughout the country at the same time, and each section should be built by the inhabitants of the locality under the supervision of competent government engineers and road builders.

4. The central government should pay its share of the cost of the work in each locality in the shape of food wages—that is, food for the workers. This would largely do away with revolutions in China, because no revolution would be supported by the masses against a government that was supplying them with work, food, and the needed roads. The local authorities would pay such money wages as were necessary and practicable.

The keynote of my plan, it will be seen, was that for China railways were not indicated as the best means of meeting the situation. It seemed to me that western experience had already shown that where there was free choice autobuses, autotricks, and private autocars could furnish their share of transportation more efficiently than railroads, provided there were constructed a system of fourfold transcontinental roads with provision for speed, safety, and segregation of through from local traffic. On such roads autotricks of great tonnage, now successfully used in the Occident, and autobuses of great passenger capacity, some of them double-deckers, would be employed.

Moreover, if after the auto roads were built there should be a need and a place for more railroads, it was clear that there would be a new type of railroad built of necessity, planned not to compete unscientifically with motor cars but to supplement them. So planned a railroad would be a paying enterprise. China must not, it seemed to me, make the western mistake of allowing railroads and motor vehicles to fight each other wastefully and irrationally for the same business.

I think perhaps that most of those who have followed the argument so far will agree that this sweeping improvement in means of transportation would be an excellent thing for China. We can think more disinterestedly, somehow, about countries which are far away.

But why not try to think as clearly about our own? Chinese conditions are not so different from American conditions as would at first appear. If a road system such as I have described is a sound idea in China, why is it not a sound idea in the United States?

No one, I think, will dispute the fact that railroads alone are not enough under present conditions. They will not be enough even after they learn to make full and effective use of their possibilities. We may compare the whole system of transportation with the automobile industry. As far back as 1915, when there were fewer than 2,500,000 motor vehicles in the United States, some of our more conservative bankers, manufacturers, and business men in other lines were already predicting that the saturation point would soon be reached. The same fear was expressed in 1920, when there were more than 9,000,000 cars, and in 1925, when the total had reached almost 20,000,000, and of course we are hearing it to-day. But the market for cars expanded as prices went down and the miles of good roads increased. In other words, there was a vast and unrealized market for transportation. I believe that such a market still exists and that all that the railroads, all that the motor industry, and all that the highway builders can do during the coming years will not be more than enough to meet its needs.

We must look at this problem as one affecting the welfare of the whole country and not one to me settled by adjustments and compromises among existing transportation agencies. Let me quote from a report by Leo J. Flynn, attorney-examiner to the Interstate Commerce Commission:

"It is the duty of the Government to see that adequate and efficient transportation service for the public is supplied and maintained. The problem, How can the commerce of the country be moved most efficiently and economically with assurance of dependable service? should be approached as one of national transportation and not primarily as one of transportation agencies. Legislation and regulation should not be with a view of preserving and protecting long-existent forms of transportation by stifling or restricting new forms of transportation which may be better equipped to perform certain transportation functions. The public is entitled to the best transportation service. No carrier by rail, water, motor vehicle, or air, has a vested right in the transportation of a single passenger or a pound of freight."

Carried to its logical extreme, this principle which I have just quoted means Government ownership of railroads if adequate transportation can not be secured in any other way. Personally



I hope and believe that this can be avoided, but we must not overlook the fact that a continuance on the part of the railroads of the present policy of high rates and hostility to other forms of transportation may force the issue. What else can the public conclude from the present-day railway propaganda than that the railroads are unable properly to manage their own businesses?

But let us look at the other aspect of our transportation situation. The \$26,000,000,000 or more invested in highways and motor cars is of at least equal importance with the \$26,000,000,000 invested in railroads. Moreover, the development of our highway system will call for no such fundamental changes in our political and economic ideas as would Government ownership of railroads. The public, individually and as partners or stockholders in various enterprises, already owns the motor vehicles of the country. Government, Federal, State, and local, already owns the highways. State and National roads are as old as the National Government itself—and older.

Our present highway system is not adequate to our existing needs. It is hopelessly inadequate to the certain needs of tomorrow, even after the railroads shall have raised themselves to the highest pinnacles of efficiency and full use has been made of water transportation on the Great Lakes, the Mississippi River system, the canals and the coastal waters. It would be absurd to say that we are as badly off for roads as China is. Yet perhaps we are as badly off in proportion to our national wealth, the amount of our industry and commerce, and our habits of travel.

Suppose we sit down with a large map of the United States, ignore for the moment the existing railways and highways, and lay out a national system of fourfold superhighways. These superhighways would be much like those I suggested for China. Express traffic would be carried in two central roads bordered on each side with a road devoted to slower travel. All four roads would be restricted to one-way traffic. Local highways would be overpassed, so that there would be no interruption of the flow of vehicles. The highest speeds consistent with safety would be not only permitted but encouraged. Every device of modern road building would be adopted to promote the security of passengers and drivers. Probably special types of motor vehicles especially adapted for this fast service would be developed; indeed, we already have them. Ramps and approaches would be constructed so that cars could enter and leave the 4-road superhighway and pass to and from the local streets and roads without interfering with the main currents of travel.

I am under no delusions as to the opposition this plan will encounter. If it is regarded as an attempted blow at the railroads it will offend the vested interests not only of railroad officials themselves but perhaps also of banks, insurance companies, and individuals holding railway securities. To objections from these sources I can only repeat that if the railroads learn how to manage their own business properly they will gain and not lose by my proposals and that their securities will be worth more instead of less.

I believe that the railroads, organized and administered by scientific, fact-finding, fact-applying officials, with a competent research staff behind them, would be able to compete much more successfully with bus and autotruck transportation than now seems possible, and for these reasons:

1. The railroads could collect and distribute from house to house by their own autotricks. These trucks could be so built that they could run as well on the railroads tracks as on the streets, thus doing away with the greater part of the expense and delay of reloading in the freight yards. A step toward this idea has already been taken in the use of so-called rail wagons, which are truck trailers built to be carried on a flat car. Two different types of rail wagons have been tried out on electric railways between Cleveland and Toledo and Chicago and Milwaukee. In each case the trailer is loaded at the shipper's door and unloaded at the consignee's door.

2. The railroads on an average could haul freight on rails faster than it could be hauled by autotricks on even the best highways.

3. With the reorganization of transportation which I have described, the cost to the consumer of both freight and passenger transportation could be very greatly reduced. This would bring so many more goods and services within the buying power of the masses that an enormous increase in business would be sure to come, both for railroads and for motor-vehicle companies. I do not think it extravagant to say that traffic could be doubled. The railroads would certainly sacrifice nothing in the long run by relinquishing traffic which they can not economically handle and by greatly increasing the traffic which they can economically handle.

No wise reorganization of transportation can harm any legitimate business. If the railroads, like the stage coaches and the Conestoga wagons, were actually becoming obsolete, they would have to take their medicine with a good grace. The country is no more obligated to maintain an obsolete railroad than it was to maintain an obsolete prairie schooner. But the railroads are not in the position of the prairie schooner, nor are they likely to be for as long a time as we can see ahead.

Even if there were to be a transition from the old-fashioned railroad to some form of free-wheeled vehicle running on roads, the railways could, if they were sufficiently sagacious, adapt themselves to the change. They could even pave their rights of way, though I do not think they will have to do so. Some of them have already protected themselves by entering more or less completely into the operation of motor vehicles.

My plan, therefore, is in no way inconsistent with such progress as our transportation system has made. It merely carries to

a logical conclusion what any unbiased survey of the present situation would reveal. It is a step toward a true and lasting remedy for our present dangerous depression. Just as the plan for China is expected largely to prevent revolutions and famines in that country in the future, so the corresponding plan for America will bring with it a basic, practical, scientific "way out" from our unemployment. Most of the remedies so far applied will for the most part help producers and financiers; but there can be no lasting recovery until our millions of unemployed are put back at work.

If we build these fourfold automobile roads we will be giving work directly to great masses of our unemployed. Indirectly we will increase, perhaps even double, the present market for auto trucks and private automobiles. By so doing we will restore a business which, with its enormous direct and indirect employing power, is generally admitted to have been the basis of the unprecedented prosperity from which we have passed into this depression. Incidentally, we will give, as I have indicated, an enormously increased traffic to the railroads.

It will be objected that the cost is so huge as to be prohibitive, but I firmly believe that a fact-finding study will show that however great the cost, it will still be less than the losses due to the present great mass of unemployment and the money which local, State, and National Governments will have to pay for relief if the present situation continues for two or three years longer. Assume that only 5,000,000 persons were out of work in the United States last year and that each individual lost only \$1,000 in wages. Both estimates are undoubtedly too low, yet when so measured, the wage loss for the year was \$5,000,000,000, or nearly one-fifth the capitalized value of all our railroads. In other words, we could better afford to abandon our railroads than to have five or six years of unemployment at the present rate. How much more, then, could we afford not to abandon them but to supplement them and make them more productive than they have ever been!

I would not say that the country could not afford the plan I have proposed. I would say that the country could not afford not to put some such plan into effect. We have already expended a grand total of more than \$50,000,000,000 upon existing facilities for getting ourselves and our goods from place to place. If we are not getting returns upon the investment it is because it is less than adequate and being less than adequately handled. To complete the transportation system upon the scale which our needs demand would add far more to its value than the amount we would have to invest. The desperate need of the day is not capital—we have as much real capital as we had at the height of the boom in 1929—but a profitable use for capital.

Pallatives may produce a temporary reemployment through inflation and a return of prices "to the standards of 1928." But such an effect can be only temporary. To restore prosperity on a permanent basis we must dig deep and build sound foundations. I believe that the fourfold super auto highway is in more senses than one literally the road back to plenty and security.

#### BETTERMENT OF COTTON PRICES

Mr. SMITH. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Asheville Citizen of February 13, 1933, having to do with the cotton situation.

There being no objection, the editorial was ordered printed in the RECORD, as follows:

#### AT LAST, A SOUND COTTON PLAN

The Smith plan, designed to better the price of cotton by reducing the supply, has been given a unanimously favorable report by the Senate Committee on Agriculture. The Citizen, which is generally skeptical of all price-fixing measures, believes that here at last is a plan which, as an emergency measure, is sound in principle, avoiding, it seems to us, all of the objections which existed in the case of domestic-allotment scheme, which the Smith bill replaces, as regards cotton.

Briefly, the Smith plan proposes that a cotton board, appointed by the Secretary of Agriculture, shall be empowered to take over and impound all of the cotton which the Government or any of its agencies may own or upon which loans may have been made. The board will also be empowered to purchase at the market value any other cotton owned by producers in all cases where the producers will agree in writing to reduce their cotton acreage by not less than 30 per cent without increase in fertilization per acre.

The board will hold the cotton thus acquired and the Secretary of Agriculture will then enter into contracts with the producers of cotton to sell each producer an amount of cotton equivalent to the estimated amount of reduction in cotton by such producer below the amount produced by him in the preceding crop year. The idea is that in this way the acreage planted to cotton can be reduced by at least a third, and perhaps by more than a third. The grower will contract to reduce his yield. Thereupon he is given an option to purchase cotton from the Government pool at any time within the next year at the price cotton is bringing on the day he makes the contract. If cotton goes down he does not have to exercise the option. If cotton goes up, he can exercise it and get the benefit of the rise, less the actual carrying charges. His only obligation will be to show proof that he has complied with his contract, which is simply to produce less cotton than he produced in 1932.



The supreme merit of this plan is that it is not a defiance of but a compliance with the economic laws of supply and demand. The domestic-allotment plan sought to fix the price of cotton and the price of various other farm commodities arbitrarily. There is nothing arbitrary about the Smith plan. It uses the Government credit to take over a considerable part of the existing cotton supply and hold it off the market, conditioned upon an immediate reduction in the cotton acreage to be planted this spring. But the plan will finance itself in large measure, because most of the money that will be needed can be borrowed on the warehouse receipts for the cotton. The Government can lose only if cotton goes still lower in price; and if that should happen, there is not much for anyone to look forward to, anyway.

The success of the Smith plan would depend, of course, upon the extent to which the cotton growers availed themselves of the opportunity which it would offer them to stand a better chance of making money by not planting cotton than they can possibly stand of making money by planting cotton. It is a simple plan, easily understood, requiring no cumbersome machinery for its operation; and it seems to us that it is in all respects eminently practical. We know that its feasibility will be questioned by those who will have in mind the failure of Brazil's efforts to valorize the price of coffee and of Britain's efforts to valorize the price of rubber. But there is no parallel between what Brazil attempted or what England attempted and what is proposed in the Smith plan. The supply of coffee could not be quickly reduced, because coffee comes from trees which produce over a number of years and new orchards are continually coming into production. The situation as to rubber is similar to that of coffee. But the cotton plant is in this country an annual. All that is necessary to reduce the cotton supply is to plant less cotton. The problem has always been to cut the acreage. How was the cotton farmer to go on living unless he grew cotton? The Smith plan gives the first intelligible answer to that question. Instead of planting cotton he pledges himself not to plant it, and the Government thereupon gives him an option to purchase from the Government at any time within the next year the amount of cotton he could reasonably have expected to produce, based on his experience of last year, at the price cotton is bringing at the time he would have planted this year's crop. He can then sell this cotton at the price it is then bringing. If cotton goes up, he will make as much money as he would have made if he had planted. If it goes down, he is better off than he would have been had he planted. In short, he stands to gain either way.

It is a most persuasive proposal. If it has any fatal weakness, we confess that we are unable to see it. The conditions are favorable in all respects for its success. The consumption of cotton is showing a tendency to increase. Our own mills are using more of the raw supply and our exports have risen. But the surplus of American cotton is excessive and the problem is to bring down this surplus. That can be done quickly only by decreasing the production. It is this that the Smith plan seeks to accomplish, by making it attractive to the cotton grower not to grow as much cotton as he has been growing. The financial support lent to the plan by the Government would not involve a serious increase in the financial commitment which the Government already has in cotton.

The adjustment of the supply of cotton to the demand for cotton and the improvement in the price of cotton which could be anticipated as a result would mean the turning of the economic tide upward in and for the South. It would mark the beginning of the return of prosperity for this entire region.

In the opinion of this newspaper the Smith plan conforms in all particulars to the realities and to the basic principles of sound economics. Both branches of Congress should pass it without delay, but without amendment. As it stands it is simple and workable. It is not a flash scheme. Senator SMITH, who knows more about cotton than any man in Congress, has been working on this plan for at least a year and a half. He has discussed it from every angle with those whose advice was most worth having. The plan in the form to which it has now been reduced represents the consensus of the cotton interests. It is a thoroughly informed plan and if it is adopted promptly, we believe that it can be made operative with the minimum of time and effort and risk.

#### AMENDMENT OF THE CONSTITUTION—REPEAL OF PROHIBITION

Mr. FLETCHER. Mr. President, I ask unanimous consent to have printed in the RECORD an article from a recent issue of the Florida Times-Union relative to the repeal of the eighteenth amendment.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

R. H. ANDERSON, COAUTHOR OF REPEAL PLANK, ASSAILS PROPOSAL

The following statement was made yesterday by Robert H. Anderson, Jacksonville attorney, who was a member of the National Democratic Convention in Chicago last June which nominated President-elect Roosevelt. Mr. Anderson was a member of the resolutions committee which drafted the Democratic platform and a coauthor of the repeal plank, in support of which he spoke before the convention.

His statement follows:

"The National Democratic Convention held in Chicago last summer adopted a platform which has been generally conceded to be one of the finest declarations of party principles ever promulgated by a political party in this country. Its chief qualities were its

brevity, its obvious sincerity, its directness, and its want of equivocation on any subject. On prohibition the platform declared:

"We advocate the repeal of the eighteenth amendment."

"To effect such repeal we demand that the Congress immediately propose a constitutional amendment to truly representative conventions in States called to act solely on that proposal; we urge the enactment of such measures by the several States as will actually promote temperance, effectively prevent the return of the saloon and bring the liquor traffic into the open under complete supervision and control by the States."

"We demand that the Federal Government effectively exercise its power to enable the States to protect themselves against importation of intoxicating liquor in violation of their laws."

"Pending repeal, we favor adequate modification of the Volstead Act to legalize the manufacture and sale of beer and other beverages of such alcoholic content as is permissible under the Constitution, and to derive therefrom a proper and needed revenue."

#### ADOPTED OVERWHELMINGLY

"This platform was overwhelmingly adopted in the resolutions committee and by the convention in open session. Upon it the Democratic Party went before the people of this country in November, 1932, and its candidates received the largest vote ever recorded."

"There can be no possible doubt that the Democratic Party's platform on the subject of prohibition is backed by tremendous popular sentiment in the United States."

"Notwithstanding these facts, however, the Judiciary Committee of the Senate of the United States has proposed a resolution which, in substance, provides:

"1. The repeal of the eighteenth amendment."

"2. The prohibition of the transportation or importing into any State or Territory for delivery or use therein, of intoxicating liquors in violation of the laws thereof."

"3. That Congress shall have concurrent power to regulate or prohibit the sale of intoxicating liquor to be drunk on the premises where sold."

"4. That the amendments shall be ratified by the legislatures of three-fourths of the States."

"This proposal is about as far from that which the Democratic Party in its platform promised the people it would support as one can possibly be. It violates almost every provision of the party platform. It is true that it repeals the eighteenth amendment but it substitutes for it a Federal control of the sale of intoxicating liquors to be drunk on the premises where sold. This will authorize the continued employment of the army of Federal 'snoopers' at a cost of millions of dollars—one of the chief causes of prohibition's unpopularity and one of the principal reasons that the American people are determined to get rid of it."

"It is now generally conceded that national prohibition was a mistake because prohibition is a police regulation and has no place in the Federal Constitution. It is a matter for regulation by the States and its regulation ought to be confined to the States. The attempted regulation of the sale of intoxicating liquors by the Federal Government is the chief reason for prohibition's miserable failure."

"The Democratic Party solemnly promised the people to return the prohibition question to the States where it belongs. The pending Senate resolution is a violation of that promise and Democratic Senators supporting it are breaking the party's faith with the people. A plainer and more deliberate breach of faith can hardly be conceived. I therefore call upon Democratic Senators to eliminate from this resolution Section 3 and to keep their party's promise to the people by urging the enactment of such measures 'by the several States' as will actually promote temperance, effectively prevent the return of the saloon, and bring the liquor traffic into the open 'under complete supervision and control by the States.'"

"I have no particular objection to section 2, which prohibits the transportation of liquor into dry States in violation of the laws thereof, although it is unnecessary, because Congress indisputably has that power anyhow. However, if the dry States wish it written into the Constitution any more plainly than it is already, I shall not protest."

#### FOR CONVENTION PLAN

"I do object, however, to that part of the resolution which proposes its ratification by the legislatures of the several States. There is just one phase of the prohibition question upon which sentiment was unanimous in both Republican and Democratic conventions, and that is that the proposed amendment should be submitted for ratification or rejection to conventions of the several States instead of to the legislatures. In this way the question would be divorced from all others and an expression of popular sentiment obtained upon one of the most controversial issues which has ever faced this country. Both the majority and the minority planks which were proposed at the Republican convention favored submission to conventions, and both the majority and minority planks in the Democratic convention proposed submission to conventions. Never did anyone object to it, but, on the contrary, everyone agreed that this was the most desirable plan. Now comes along the Senate of the United States and proposes something entirely different."

"I protest against it and insist upon a resolution in full compliance with the Democratic platform."

"All my life I have fought prohibition. For 12 years I have looked forward to the day when I should see it taken out of the Federal Constitution. But I shall not support this resolution



which is pending in the Senate, for the reason that it is not the resolution which we promised the people. If and when it is passed, as much as I dislike to do so, I shall join hands with the drys in an effort to defeat its ratification in the Florida Legislature, because I know that if we defeat this one, the time will come when we will have a Senate composed of men who are responsive to popular demands and who will submit the kind of amendment the people have said they want."

#### AMENDMENT OF THE CONSTITUTION—REPEAL OF PROHIBITION

The VICE PRESIDENT. The question is on the motion of the Senator from Wisconsin [Mr. BLAINE] that the Senate proceed to the consideration of Senate Joint Resolution 211, proposing an amendment to the Constitution of the United States.

Mr. BORAH. Mr. President, I desire to address myself to the motion of the Senator from Wisconsin to take up for consideration the joint resolution providing for the submission of the question of the repeal of the eighteenth amendment to the States.

I now am opposed to the joint resolution. I presume it will be in such form when we come to a final vote upon it that I shall still be opposed to it at that time and shall vote against it. I presume that statement will lessen the effect of what I have to say, but I think it fair to make the record full and complete.

While I am opposed to the joint resolution, I know of no reason, so far as the resolution itself is concerned, why it should not be voted upon by the States at the earliest practicable date. I can see nothing to be gained by delaying action upon the part of the States, assuming that there are a sufficient number of votes in the Senate and the House to submit the proposed constitutional amendment; and if the situation with reference to the calendar of legislative business were different, I should not interpose any objection whatever to taking up the joint resolution for consideration at this time.

I was one of the members of the subcommittee which had to do with the framing of the joint resolution, and I think my colleagues will bear me out when I say that I sought in no manner to delay the consideration of the question. I should not seek now to delay it if it were not for the situation, as I see it, with reference to the legislative calendar.

Furthermore, Mr. President, I do not see how voting upon the joint resolution and submitting it by Congress prior to the 4th of March will expedite the ratification of the proposed constitutional amendment or its rejection by the States in any respect whatever. By the time it shall have reached the States very few of the legislatures will be in session; it will be practically impossible to secure any final action—I should say it will be impossible to secure any final action—by the present legislatures; there will not be a sufficient number in session to make any considerable showing with reference to action upon the joint resolution. Even if we should incorporate an amendment which would provide for ratification by conventions instead of the legislatures, still no progress would have been made, for the legislatures undoubtedly will have to provide for such conventions. So I can see no progress to be gained in the question of time by reason of our acting upon the joint resolution prior to the 4th of March. There are bills upon the calendar, however, upon which speedy action should be had, and which will lose much of their effect and much of their benefit to those whom we would serve if they are not speedily enacted. I do not think it is practically possible to take up this joint resolution and dispose of these other bills to which I am going to make reference in a moment.

If we take up the joint resolution I think we must make up our minds, as was indicated yesterday by the able Senator from California [Mr. JOHNSON], that any matter of relief legislation either for the farmers or of a general nature must be postponed until after the 4th of March. After the 4th of March there will be no special session called certainly before the middle of March or the first of April; and then it will be, say, the 1st of May before we are organized and before we shall have opportunity to consider and pass upon

these questions, act as speedily as we may, and that will rob two of these measures of very much of their benefit.

For instance, we have on the calendar what is known as the bankruptcy bill, or, as I prefer to call it, the insolvency bill, which includes the measure introduced by the Senator from Arkansas [Mr. ROBINSON] looking to a composition of the indebtedness upon the farms throughout the United States. Certainly there can be no measure of more importance for immediate action than that measure; and if it is not enacted at this session hundreds and perhaps thousands of homes and farms will have been forfeited or abandoned, if not held by force, by reason of the delay. It does seem to me that we are confronted with the question of whether we are going to adjourn without having done anything with reference to relief for agriculture or for the general relief of unemployment if we proceed with the consideration of this measure.

I need not say to the Senate how serious the situation in the country is. Every Senator knows it. It would be merely repeating what is in the minds of Senators to say how serious the situation is in the agricultural regions. If something is not done along the lines covered by the bill introduced by the Senator from Arkansas [Mr. ROBINSON], or some measure of that kind, literally thousands of these people are going to lose their farms, unless, as I say, they proceed to do as they have been doing—hold their farms by force.

It is often said that there is impending in this country a revolution; and that, of course, is discounted very largely by many people. Mr. President, there is already a revolution, and it has been consummated in many places. There are places in the United States now where courts can not operate, where the processes of the courts are frustrated by sheer force; and that spreads from the old State of Pennsylvania to the State of Idaho.

I read a day or two ago of where a crowd of farmers took possession of a sale in Pennsylvania and decided how it should be conducted, when it should cease, and under what circumstances the sale should be made. I read in my State that where an effort was made to foreclose a mortgage, the gentleman who undertook to do it was tarred and feathered and sent out of the State. We know what is happening in Nebraska and Minnesota and Iowa.

Mr. President, every farmer in the United States is looking with anxious solicitude to the Congress of the United States to know whether or not anything is going to be done prior to the 4th day of March. If nothing is done by that time, knowing the situation as they will know it, this condition will be accentuated and aggravated beyond the power of language to portray.

Mr. KING. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from Utah?

Mr. BORAH. I yield.

Mr. KING. The Senator is familiar with the fact that both political parties pledged themselves to submit to the people this question of the repeal of the eighteenth amendment. In view of the pledges of the two parties, does not the Senator think the matter might be taken up and disposed of within a very short time?

Mr. BORAH. I think the parties can control some things, but not time in the Senate of the United States.

Mr. NORRIS. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from Nebraska?

Mr. BORAH. I yield.

Mr. NORRIS. Is it not true that the new Congress is going to convene soon after the 4th of March, and these pledges can be redeemed by the party that will then be in power, and redeemed at a time to which it is only fair to say that all the resolutions of both political parties had reference when they agreed to them?

Mr. KING. Mr. President, will the Senator permit another question?

Mr. BORAH. I yield.

Mr. KING. Does the Senator from Nebraska mean that the Republican Party is absolved from its pledge to redeem the promise made? If not, it is in power to-day. It has the Executive and the Senate. Why should not it proceed to the redemption of its pledge?

Mr. NORRIS. Well, I do not know. The country seemed to go over to the other side and place the responsibility and the power in the Democratic Party. They have not gone into power yet; and I do not want to be so cruel to them as to insist that they carry out their pledges before they get in power.

Mr. BORAH. Mr. President, I recognize that a general pledge touching this subject was made by both parties, and that there is a party obligation to submit this question; and I have no desire to stand in the way of its submission. We are confronted, however, with a situation in which, if this pledge is carried out, it is proof positive that other pledges which have been made can not be carried out; and I am simply contending before the Senate now that we ought to make up our minds at this time as to whether we are going to carry out our pledges with reference to relief of agriculture and unemployment relief. Those were acute questions in the campaign, thoroughly discussed by both parties, and pledges made without any equivocation, far more direct as to one party than the pledge with reference to repeal.

We not only have the insolvency bill to which I have referred, but we also have the unemployment bill, pending on the calendar of the Senate; and both those questions are matters which certainly call for immediate action.

The question with me is, Can we dispose of this joint resolution and also dispose of these other matters? If I thought we could do so, it would not make a particle of difference to me which precedes the other, just so that we are able to dispose of them before the 4th day of March.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. ROBINSON of Arkansas. The questions involved in the joint resolution which the Senator from Wisconsin [Mr. BLAINE] has moved to consider are comparatively simple and few in number. Does not the Senator from Idaho think that if the Senate really wishes to transact business it can dispose of this question and vote on the joint resolution, and also consider the emergency relief legislation, including the amendments to the bankruptcy law to which the Senator has made such impressive reference?

I agree that if a situation is brought about where the Senate must elect between a bill authorizing the composition of farm indebtedness and legislation relating to the liquor question, it would present an embarrassing and difficult situation with respect to the repeal resolution. It seems to me, however, that there are only a few questions to be determined in connection with this subject of submitting a joint resolution for the repeal of the eighteenth amendment; and I say now that there is scarcely a Member of the Senate who does not already know exactly how he is going to vote.

I intend to offer amendments, at the request and suggestion of Senators on both sides of the Chamber, that will reach a resolution as to the preference of the Senate between conventions and legislatures as the agency for ratification, and also an amendment in the nature of a substitute for the joint resolution which will provide for repeal without imposing upon the Federal Government the obligation to prevent the return of saloons or to impose constitutional arrangements for the prevention of the importation of alcoholic liquors into dry territory.

Realizing that it is possible under the rules of the Senate to prolong a debate indefinitely, and knowing that the Senator from Idaho never indulges in the practice of filibustering, I am wondering why we can not do the sensible and practical thing—discuss this joint resolution fairly, and the amendments that are proposed to it, and vote on it.

I desire to make this additional suggestion: If it is necessary to accomplish that end and to pass upon the various bills to which the Senator from Idaho has referred, we ought to be willing to stay in session here of evenings. We always do that toward the close of a session, especially a short session. If the Senate really desires to do business, there is no reason why we can not vote on the motion of the Senator from Wisconsin [Mr. BLAINE] and on the amendments that are proposed to the joint resolution and dispose of this question between now and 10 o'clock to-night, and then proceed to the consideration of the so-called bankruptcy bill and other measures of relief, including the destitution relief bill.

Mr. BORAH. Mr. President, may I make a suggestion there?

Mr. ROBINSON of Arkansas. Certainly.

Mr. BORAH. I have not the faith that the Senator has that we shall be able to do that, and yet I agree with him that there is really no reason why we should not. But, Mr. President, if that is true, the farm bill is now on the calendar; and in view of the fact that that bill has to go to the House, and will undoubtedly take time, would not the Senator from Wisconsin be willing to let us dispose of the farm bill first, with the understanding that as soon as that is disposed of this measure is to follow? That will give us an assurance of doing something for a situation which every Senator here knows is a dangerous one.

Mr. LA FOLLETTE and Mr. BARKLEY addressed the Chair.

The VICE PRESIDENT. Does the Senator yield; and to whom?

Mr. BORAH. I yield to the senior Senator from Wisconsin.

Mr. LA FOLLETTE. Mr. President, it seems to me that the unemployment relief bill is entitled to precedence over the bankruptcy bill. I am interested in both; but the unemployment relief bill has been on the calendar for many days. I have patiently awaited an opportunity to get it up for consideration, and have received sympathetic assurances from the leaders on both sides of the Chamber that the bill is entitled to consideration; but at every conference I was met with the statement that there was a general understanding that the repeal joint resolution should be given an opportunity for hearing first.

I feel, Mr. President, that I could not agree to the procedure which the Senator from Idaho has suggested, because I feel a certain responsibility and obligation so far as the unemployment-relief legislation is concerned.

Mr. BORAH. Mr. President, I can well understand the feeling of the Senator from Wisconsin. I know his deep interest in the subject, and he has given a vast amount of time to it. He knows the facts of the situation, and I am thoroughly in favor of his measure. I mentioned it as one of the measures we ought to pass before the 4th of March. But I felt this way in regard to the matter, that the States and the cities are, in a measure, taking care of that situation, although I have no idea that they will be able to carry on any great length of time. It seemed to me, in view of the fact that the American farmer, the backbone of law and order in the United States, is now defending his title with force, that there was a necessity for prompt action, not only for the relief which such action would give, but for the psychological effect which it would have upon those who are getting into a state of mind so that we can not foretell what will happen in the United States.

Mr. BARKLEY. Mr. President, which farm bill has the Senator in mind, the one that has been reported from the Committee on Agriculture and Forestry?

Mr. BORAH. I have reference to the bill which has been reported from the Committee on the Judiciary, known as the bankruptcy bill, but really a composition bill, or insolvency bill, which, I think, has tremendous merit. I know that there is a difference of opinion about it.

Mr. BARKLEY. I do not want to get into an argument over that bill now, but, having in mind the farm situation with respect to foreclosure of mortgages, I wanted to inquire



of the Senator whether he thinks the bankruptcy bill, so called, would offer any real relief or remedy to the average farmer?

Mr. BORAH. I think it would offer real relief, and I think it would offer the most immediate relief. The allotment plan, whatever good there may be in it, could not operate sufficiently speedily to protect those who are being sold out. The bill offered by the Senator from Arkansas has speedy action in view. I believe that it would accomplish it in a reasonable way. It would bridge over the chasm until there was a possibility that the people might save their farms and save their homes, either through resuscitation of the economic situation generally or through some relief measure which may be passed by Congress.

Mr. BARKLEY. If the Senator will yield further, I may say that I am in entire sympathy with what the Senator has in mind, and with the plans to alleviate the situation. A subcommittee of the Committee on Banking and Currency has been considering for some days, and has reported to the full committee, a measure dealing with the temporary needs for a period of two years while we undertake to write permanent legislation for the farm-mortgage situation. That measure would not require the farmer to take advantage of the bankruptcy law in order to get the benefits of the relief offered.

Mr. BORAH. The bill of the Senator from Arkansas would not require the farmer to take advantage of the bankruptcy law. He would not even be referred to as a bankrupt; he would be referred to as a debtor, and the other man as a creditor. It would furnish an arrangement by which they might compose their differences and readjust them in accordance with the equities of the situation.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. ROBINSON of Arkansas. The arrangement for compositions contemplated by the bill to which the Senator from Idaho has referred would work in with the bill which the Senator from Kentucky has in mind, to be reported, we hope, from the Committee on Banking and Currency. When compositions are made between farmers and their creditors, if the bill the Senator from Kentucky has in mind, a temporary measure for suspending foreclosure, is passed, it will enable the farmer who has composed his indebtedness in a satisfactory way with his creditors to refinance his obligations over a period, which will save him from seeing his home sold from under him.

The Senator from Idaho is entirely correct; without some arrangement to scale down these debts, it will be impossible, in my judgment, to refinance them under present conditions.

Mr. BORAH. Certainly. As has been said upon the floor of the Senate, the indebtedness of the farmers of the United States now is something like twelve or thirteen billion dollars. That is the amount of the face of the paper. Measured by commodity prices which prevailed at the time the indebtedness was contracted, the debt now amounts to nearer \$30,000,000,000, and unless we can do something, such as what is provided in the bill to which we have made reference introduced by the Senator from Arkansas, unless we can scale down the interest, unless we can reduce the mortgage itself, there will be absolutely no hope for the American farmer, because a return of prices of commodities will not come in time to save him. He must have a remedy at hand.

I have gone over all the bills introduced by different Senators who are anxious to deal with the situation, and the only bill that would afford immediate relief and place the farmer in a position where he could really adjust himself to the situation and perhaps get an extension of economic life, in my judgment, is the bill introduced by the Senator from Arkansas.

The allotment plan is lying back in the committee, and the longer it lies in the committee the more it will be opposed. I do not know whether it will be reported or not. If it does, it could not possibly affect favorably the situation until another crop has been sowed and reaped.

Therefore, Mr. President, I beg with all earnestness that we make absolutely certain that the 4th of March shall not pass before we enact a measure which will enable the farmer to get some relief against the crushing forces which are now driving him from his home.

It seems to me nothing less than fair to the situation to put the bill of the Senator from Arkansas ahead of the joint resolution of the Senator from Wisconsin. So far as I am concerned, I do not propose to waste time upon either one of the measures, taking time for the sake of taking time, but I feel rather intense about the fact that we should not put ahead of farm relief the matter of repealing the eighteenth amendment, when the legislatures of the States could not possibly act upon it within the next 12 months.

Mr. SHIPSTEAD. Mr. President, I agree with what the Senator from Idaho has said, although I expect to vote for the joint resolution of the Senator from Wisconsin. I do not see why we can not have a unanimous-consent agreement to vote within a reasonable time. If the consideration of the joint resolution should lead to extended debate, I would be ready at any time to vote to lay it aside for the consideration of more important and more pressing business.

In regard to what has been said here to-day about saving the farmer, I need not recall what has been repeated for the last 10 or 15 years. I do want to call attention, however, to the fact that there are those who now need to be saved other than the farmer. It is very easy to talk about scaling down the debts of the farmer, and that ought to be done, but when it is done, let us bear in mind also, when we are dealing with the debts of the farmers, that we are dealing with the savings of millions of other people. The farm mortgages are piled up in the life insurance companies and savings banks. The savings of the people are invested in these mortgages. If the desire is to save the farmer, bear in mind the savings of those whose funds are invested in the mortgages of the farmers. And if we come to pass legislation to cut the mortgages of the farmers in two, we must frame some compensatory legislation to take care of those who have invested their savings in farm mortgages.

If we write down the face of a farm mortgage, we will have to write down the face value of life insurance policies and savings bank accounts. This will not be necessary if we write down the interest rate rather than principal.

Mr. BORAH. Mr. President—

The PRESIDING OFFICER (Mr. HATFIELD in the chair). Does the Senator from Minnesota yield to the Senator from Idaho?

Mr. SHIPSTEAD. I yield.

Mr. BORAH. I have talked with the representatives of some insurance companies, and they would a great deal rather have a mortgage on a farm on which the farmer has a chance to pay out than to have a farm which they would have to take over and pay taxes on themselves, run by a tenant who would be less capable than the man who is now on the farm. Their security lies in the fact of getting prosperity to the American farmer. Otherwise their savings are worthless.

Of course, we would have to take into consideration the insurance companies, the policyholders, and so forth, but it is not correct to say that the insurance policies and the savings accounts would be scaled down in the same proportion in which the farm mortgages were, because they are deriving benefit out of the fact that their security is made better by reason of the readjustment which is to be made.

Mr. SHIPSTEAD. Mr. President, I make no denial of anything the Senator has said. I am talking about protecting the savings of the people, and I think it can be done without writing down the face of the mortgages. We can preserve the savings and the principal involved at the expense of income by writing down the interest rates, instead of taking it out of capital savings.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. SHIPSTEAD. I yield.

Mr. ROBINSON of Arkansas. Of course, logically the same result would be accomplished by a reduction of the

interest payment where the payment comprehends amortization as by scaling down the debts, although in a less degree.

Mr. SHIPSTEAD. Yes.

Mr. ROBINSON of Arkansas. But the Senator must bear in mind the conditions which now exist with respect to farm mortgages. In many parts of the country those who have their savings invested in farm mortgages are losing them by reason of the foreclosures which are in progress and by reason of the fact that at the sale the property brings practically nothing. The lands are so depreciated and the prices bid are such that those who have savings in farm mortgages are losing far more now than they could possibly lose under the arrangement for compositions contemplated by the bill to which reference has been made. And they realize it. I have encountered no substantial objection on the part of actual investors who are alleged to have their savings in farm mortgages. They know that unless something is done, and speedily done, they will lose practically everything they have invested in those mortgages, and they infinitely prefer an arrangement which will give them good security, even though they have to sacrifice a part of the principal.

If the present condition is permitted to go on and gather volume, we will see a most alarming situation in all the agricultural sections of the country. Farmers are going to the courthouses and objecting to sales for taxes and under mortgage foreclosures, and when sales are made the property is bringing practically nothing. Not only is the investor losing but that measure of confidence and hope which is essential to a revival of business is being constantly diminished.

I do feel, however, that there is no occasion for reaching the conclusion now that so simple a matter as is involved in the repeal resolution must be treated as if it were a subject of great complexity, and debated after the character of frequent proceedings in the Senate for days and weeks. If we desire to do business, and will demonstrate the fact by staying here at night, we ought to vote on this joint resolution before the end of the day.

Mr. SHIPSTEAD. Mr. President, I have no desire to continue the debate on this farm question now, but I want to say a few words of warning lest when we deal with the farm question we do not initiate measures which will bring on a worse condition than exists now.

As I said in the beginning there are two sides to the question. If we begin on the theory of reduction through bankruptcy proceedings, we will have to go through to the ultimate conclusion. We are not going to be able to stop with farm mortgages. We are going to have to cut, possibly by 50 per cent, every bond issued in the United States. Go ahead and do it, but what happens to the liabilities? The liabilities are piled up against these assets. If we are going to take the bankruptcy route instead of some other way of more constructive legislation, we will close every bank in the country and bankrupt every life-insurance company in the country. I do not believe farmers can be saved in that way.

Mr. TYDINGS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Maryland?

Mr. SHIPSTEAD. I yield.

Mr. TYDINGS. I realize the necessity for solving the farm problem so far as we can, but it strikes me that the purpose of the joint resolution embraced in the motion of the Senator from Wisconsin is well known to everybody. I do not see why at 4 o'clock this afternoon we can not vote on it and all amendments to it.

Mr. BORAH. Very well. Let us get an agreement to that effect right now.

Mr. TYDINGS. Let me say to the Senator from Arkansas that at 4 o'clock this afternoon every man will know what he wants, and we can vote on the proposal and every amendment pending to it.

Mr. ROBINSON of Arkansas. Mr. President, if we can not do it by 4 o'clock this afternoon, we can do it at 9 o'clock to-night.

Mr. BORAH rose.

Mr. TYDINGS. I ask unanimous consent that at 5 o'clock this afternoon the Senate proceed to vote upon Senate Joint Resolution 211 and all amendments thereto, without any further debate of any kind.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. BORAH. I will wait until we hear from the request of the Senator from Maryland.

The PRESIDING OFFICER. Is there objection?

Mr. BROOKHART. Mr. President, it would take until two weeks after the 4th of March to reply to all the arguments the Senator from Maryland has made on the booze question in the Senate during the last year, so I shall object to his unanimous-consent request.

Mr. TYDINGS. Will the Senator set some time to which he will consent? I want to get to the agricultural problem and its solution. That is the only reason why I made the suggestion.

Mr. BROOKHART. Yes; I will agree that a vote shall be taken on the first day of the first session of the new Congress.

Mr. TYDINGS. Here we are, Mr. President, with a great need for agricultural legislation. I, as one who believes in the repeal of the eighteenth amendment, am ready to eliminate all debate, to say not a word about it at all, and to take a vote at this very minute without any debate at all, because every Senator knows how he will vote. No votes are going to be changed by discussion or argument. Therefore I ask unanimous consent that after 2 o'clock, one hour from now, there shall be no further debate on the joint resolution or any amendment offered thereto, and that we shall proceed to vote upon the joint resolution and all amendments offered thereto without any further debate of any kind.

The PRESIDING OFFICER. Is there objection?

Mr. BROOKHART. Mr. President, this is just a little bit worse than the other request, so I object to it.

The PRESIDING OFFICER. Objection is heard.

Mr. BLAINE. Mr. President, I desire briefly to reply to one or two suggestions made by the distinguished Senator from Idaho [Mr. BORAH]. I do not believe the Senate should be led into the assumption that a repeal resolution will pass at the next session of the Congress that will not delay ratification of such a resolution four years. As I understand, there are some 41 or 42 State legislatures now in session. In none of the States in which the legislature is in session is the legislative period less than 60 legislative days. Sixty legislative days carry the final adjournment of the legislature of such States a trifle beyond the 4th of March. There is another class of States which have a 90-day limitation on their legislative sessions. Then there are other States having longer periods of limitation and some without any limitation whatever.

Therefore if the joint resolution is acted upon by this Congress it can go to 41 or 42 State legislatures immediately for action. If that does not occur, if the joint resolution is defeated at this session of the Congress, then Senators can make up their minds that since there will be very few State legislatures meeting in 1934 there will be no chance for ratification whatever until the legislative sessions of 1935. If the convention system is agreed upon as the mode for ratification, then it is obvious that ratification will be deferred about four years, or even more.

Mr. President, the subject of the eighteenth amendment has been a disturbing political question in the country for the last few years. The political parties have finally resolved upon the question very definitely. Now is the time and now is the occasion to carry out that resolve which in my opinion reflects the mature judgment of the people of the country. When the Senator from Idaho [Mr. BORAH] undertakes to exaggerate the importance of the so-called bankruptcy bill in order to displace the consideration of this



repeal measure, it seems to me that the Senate might well be informed of some matters respecting the so-called bankruptcy proposal.

The Senator from Idaho knows full well my opinion about the bankruptcy measure. In my humble opinion, the passage of the measure so far as it relates to agriculture means more distress and harm to agriculture. Unless the bankruptcy measure or insolvency measure, or whatever it may be called, is modified to protect the farmer in his right to his homestead, in his right to his exemptions, then we are placing all that he has in the hands of those who want to tyrannize over him as creditors.

Mr. ASHURST. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Arizona?

Mr. BLAINE. Mr. President, I point this out to show that there is a keen difference of opinion, and it is an easy matter to exaggerate the importance of particular measures, whether they are so-called farm-relief measures or unemployment-relief measures. I have heard the debate going on for the last several years.

I will yield to the Senator from Arizona in just a moment, unless the Senator has something apropos of what I have just said.

Mr. ASHURST. I am sure the Senator does not wish to give the inference—because the Senator is too able a lawyer to give such an inference—that the Congress has power, in dealing with the manner in which the estate of a bankrupt shall be distributed, to override or annul State laws as to homestead exemptions and dower rights. Congress has no such power.

Mr. BLAINE. I appreciate the attitude of the Senator from Arizona. Of course, as the Senator from Arizona well understood when the bill was before the committee, it was my contention that the bill, in so far as it undertook to deprive the farmer of those rights, would be unconstitutional; but the bill as reported out by the committee assumes that authority, and it is proposed to drive that bill through the Congress with that authority in it. I must therefore assume that the other members of the Judiciary Committee, all of whom are distinguished lawyers, disagree with my position respecting the invalidity of those provisions of the bill. I do not believe that those lawyers, all able men and sincere men, would report out a bill which they believe would be held to be invalid and unconstitutional in any of its provisions.

Mr. ASHURST. I hope the Senator will do me the justice to recall that I stated in the committee just what I said here a moment ago. Congress has no power to sweep away the homestead exemption or the dower right which some States have seen fit to grant to their citizens.

Mr. BLAINE. The bill takes the property and all property of the debtor—exempt property, homestead rights, and all other property—and puts it under the control and jurisdiction of the court, and the court may determine the priority of payments out of the proceeds from that property.

It was not my purpose to engage in a discussion of the so-called bankruptcy bill. I merely wanted to point out these matters in order, if possible, to indicate the exaggerations to which men are prone to go in advancing some of their particular theories and opinions.

Mr. President, in my opinion not only can the joint resolution be disposed of but the bill providing for revenue from the manufacture and sale of malted liquors can be passed, the so-called farm-relief measures can be considered and passed, the unemployment-relief measure can be passed at this session of Congress if Congress will get down to work. But if the Senate is to meet at 12 o'clock noon and adjourn or recess before 6 o'clock in the afternoon, with the interminable debate that is carried on, then we can not do it. Senators will recall that we took 21 or 22 days on one bill. One appropriation measure consumed two weeks of the time of the Senate. As I recall, we held night sessions during the consideration of that appropriation bill only on two nights, and then not later than 10

o'clock at night. If the Senate is willing to work, if the Senate is industrious, if we want to consider any of these propositions, if it is our conscientious opinion and belief that these measures should be passed, then we can legislate if we will stay here until a reasonable hour of the night.

Mr. President, I shall not discuss the merits of this proposition; that I shall forbear presently. It could be pointed out as to the great benefits that would flow to agriculture and to the workingmen of this country if we once should take prohibition out of the Constitution and permit the Congress and the States to legislate freely upon the subject; but I am not going to discuss that feature at this time.

Mr. LEWIS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Illinois?

Mr. BLAINE. I want first to make a unanimous-consent request; and I do so in the interest of expedition not only of the joint resolution but of all other legislation.

I ask unanimous consent that, beginning at 3 o'clock this afternoon, no Senator shall speak more than once or longer than 15 minutes upon the motion.

Mr. BROOKHART. Mr. President—

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Iowa?

Mr. BLAINE. I yield.

Mr. BROOKHART. There has been an enormous amount of debate on this question in the Senate during the last year or two, in nearly all cases from the wet side. It is the wets who have done the talking. They have corrupted the public sentiment of the country; they have brought the big newspapers into line with them; they have created a political situation here that may be binding on the next Congress. At the present time the House majority would stand on one party platform, and, if the Republicans were united, the Senate majority would stand on a different platform.

This is the most controversial subject in the United States, and to bring it up in this short session at this late day, and after all that the wet side of the question has done in the last year is the most unreasonable proposition ever presented to the Senate; and, of course, I shall object.

The PRESIDING OFFICER. The Senator from Iowa objects.

Mr. BLAINE. I am sure the Senator from Iowa can not charge that I have devoted much time of the Senate to a discussion of the wet and dry question. The time that I have consumed on that subject during my tenure here has been very limited. I have desired action, not words.

Now, Mr. President, just another suggestion. I shall renew this request at 2 o'clock this afternoon. I want to be reasonable; there is nothing about the motion that is technical; everyone understands the motion. Therefore I want to suggest to the Senator from Iowa and to other Senators who may object to the unanimous-consent request that, if I can obtain the floor, at 2 o'clock I shall renew my request, placing the hour then at 4 o'clock; and in the event that I can not obtain unanimous consent on some reasonable ground, I shall then ask the Senate to stay in continuous session until this motion can be determined, and we shall undertake to decide whether or not a majority of the Senate can function.

Mr. BORAH. Mr. President, let me say that I have never, as has been previously stated, engaged in a filibuster here, but there are two ways by which one can filibuster; and if there is going to be an undertaking in the first hours of this debate to wear men down physically in order to get a vote, I assure the Senator from Wisconsin that there will be two sides to that proposition.

Mr. BLAINE. I accept the assurance of the Senator from Idaho, but I want to point out to the Senator from Idaho that if he is going to get action upon the so-called bankruptcy bill, if he is going to get action upon other legislation of a general character, he will find that it will require industry and attention, and that we can not adjourn or recess between 5 or 6 o'clock and transact the business of the Senate. It will require night sessions and sometimes,



perhaps, sessions long into the night. It is not a question of wearing men down; it is a question of determining whether or not we are going to pursue a course of industry in the Senate, or are we going to surrender to a small minority.

Mr. BORAH. Mr. President, the Senator is now speaking about a different proposition. I am perfectly willing to utilize all reasonable hours; I am perfectly willing to come here at 10 o'clock in the morning; but, Mr. President, we are not going to stay here all night—I serve notice of that fact—and make any progress whatever.

Mr. BLAINE. Then, Mr. President, I will mellow my request. If we shall not have made some reasonable progress within the next hour or two, I shall request the Senate to stay in session at least until 10 o'clock this evening.

Mr. LEWIS. Mr. President, I rise merely to seek information and direction from the Senator from Idaho. With my colleague, I represent a State wherein is located the city of Chicago, representing one-half of the population of that State. That city, its toilers, its laborers, and its people generally may be said to have a great interest in the measure referred to by the Senator from Wisconsin [Mr. LA FOLLETTE]. A large element in that city have equally a very great interest in the repeal of the eighteenth amendment and the results which may directly flow therefrom.

On the other side are the farmers of the great State of Illinois. My colleague and myself have tried to voice their interest. They are, of course, greatly concerned in any form of relief for agriculture. I therefore wish to ask the eminent Senator from Idaho a question. First, however, I call his attention to the fact that the statement he made on the floor of the Senate a few moments ago, that the so-called bankruptcy bill, to which he has alluded, would carry relief to the farmers in their present unhappy distress, will reach very far, and because of his eminent position here will be circulated generally, so that the belief will prevail that in this particular measure there is a feature of some nature that will give to the farmer as such immediate relief.

I am unable to see in the bankruptcy bill what provision it is that my eminent friend the Senator from Idaho alludes to as covering such a subject and describing such a possibility of relief. I rise to ask the Senator from Idaho, both because of his association with the Judiciary Committee and his well-known position on questions of relief in behalf of the needy, what provision of the bankruptcy bill that is now before us, which many of us have considered in committee, does my eminent friend feel is addressed to agriculture whereby the farmer would get any immediate relief if that bill were passed?

Mr. BORAH. Mr. President, I referred to that portion of the bill which incorporates a measure introduced by the Senator from Arkansas [Mr. ROBINSON], dealing exclusively with the question of the indebtedness between the farmer and his creditors, and which sets up the machinery for composing the differences with some detail. I do not know whether the Senator is referring to the bill that passed the House; that bill contained no such provision; but if the Senator will refer to the bill as it came out of the Judiciary Committee, he will see that we have incorporated in it the bill introduced by the Senator from Arkansas dealing with that subject.

Mr. LEWIS. I do refer to the bill coming out of the Judiciary Committee, and my judgment was, upon reading it, that the provision that permits the composure of obligations between creditor and debtor, as suggested by the Senator from Arkansas, calls for the consent of the creditor to the desires of the debtor, and therefore presumes special negotiations between the debtor and the creditor. We will thus be launched upon individual action on the part of the debtor and the creditor, which will extend through such periods of time that I fear none of us, in view of the tendency of creditors generally, will live long enough to see such a composure as could relieve the farmer who might finally be yielded to or that would be of any benefit whatever to any of those who may be interested. Such is my fear. I would hope to the contrary, but I wish

to point out to the eminent Senator from Idaho that that bill as it stands, instead of giving relief to the farmer, turns him over to the creditor to consent to that relief or to withhold it, to the complete destruction of the debtor at the will of the creditor.

Mr. BORAH. Mr. President, I desire to put in the RECORD, in connection with the question asked of me by the able Senator from Illinois, a portion of the bill reported from the Judiciary Committee, beginning with section 75 and including the remainder of the bill.

The VICE PRESIDENT. Without objection, that order will be made.

The portion of the bill referred to is as follows:

SEC. 75. Agricultural compositions and extensions: (a) Courts of bankruptcy are authorized, upon petition of at least 15 farmers within any county who certify that they intend to file petitions under this section, to appoint for such county one or more referees to be known as conciliation commissioners, or to designate for service in such county a conciliation commissioner previously appointed for an adjacent county. In case more than one conciliation commissioner is appointed for a county, each commissioner shall act separately and shall have such territorial jurisdiction within the county as the court shall specify. A conciliation commissioner shall have a term of office of one year and may be removed by the court if his services are no longer needed or for other cause. No individual shall be eligible to appointment as a conciliation commissioner unless he is eligible for appointment as a referee and in addition is a resident of the county, familiar with agricultural conditions therein and not engaged in the farm-mortgage business, the business of financing farmers or transactions in agricultural commodities or the business of marketing or dealing in agricultural commodities or of furnishing agricultural supplies. In each judicial district the court may, if it finds it necessary or desirable, appoint a suitable person as a supervising conciliation commissioner. The supervising conciliation commissioner shall have such supervisory functions under this section as the court may by order specify.

(b) Upon filing of any petition by a farmer or creditor under this section there shall be paid a fee of \$10, to be transmitted to the clerk of the court and covered into the Treasury. The conciliation commissioner shall receive as compensation for his services, including all expenses, a fee of \$10 for each case docketed and submitted to him, to be paid out of the Treasury. A supervising conciliation commissioner shall receive as compensation for his services a per diem allowance to be fixed by the court, in an amount not in excess of \$5 per day, together with subsistence and travel expenses in accordance with the law applicable to officers of the Department of Justice. Such compensation and expenses shall be paid out of the Treasury. If the creditors at any time desire supervision over the farming operations of a farmer, the cost of such supervision shall be borne by such creditors or by the farmer, as may be agreed upon by them, but in no instance shall the farmer be required to pay more than one-half of the cost of such supervision. Nothing contained in this section shall prevent a conciliation commissioner who supervises such farming operations from receiving such compensation therefor as may be so agreed upon. No fees, costs, or other charges shall be charged or taxed to any farmer or his creditors by any conciliation commissioner or with respect to any proceeding under this section, except as hereinbefore in this section provided. The conciliation commissioner may accept and avail himself of office space, equipment, and assistance furnished him by other Federal officials, or by any State, county, or other public officials. The Supreme Court is authorized to make such general orders as it may find necessary properly to govern the administration of the office of conciliation commissioner and proceedings under this section; but any district court of the United States may, for good cause shown and in the interests of justice, permit any such general order to be waived.

(c) At any time within five years after this section takes effect a petition may be filed by any farmer, or by any creditor of such farmer, stating that the farmer is insolvent or unable to meet his debts as they mature, and that it is desirable to effect a composition or an extension of time to pay his debts. The petition or answer of the farmer shall be accompanied by his schedules. The petition and answer shall be filed with the court, but shall, on request of the farmer or creditor, be received by the conciliation commissioner for the county in which the farmer resides and promptly transmitted by him to the clerk of the court for filing. If any such petition is filed, an order of adjudication shall not be entered, except as provided hereinafter in this section.

(d) After the filing of such petition or answer by the farmer, the farmer shall, within such time and in such form as the conciliation commissioner shall determine, file an inventory of his estate.

(e) The conciliation commissioner shall promptly call the first meeting of creditors, stating in the notice that the farmer proposes to offer terms of composition or extension, and inclosing with the notice a summary of the inventory, a brief statement of the farmer's indebtedness as shown by the schedules, and a list of the names and addresses of the secured creditors and unsecured creditors, with the amounts owing to each as shown by the schedules. At the first meeting of the creditors the farmer



may be examined, and the creditors may appoint a committee to submit to the conciliation commissioner a supplementary inventory of the farmer's estate. The conciliation commissioner shall, after hearing the parties in interest, fix a reasonable time within which application for confirmation shall be made, and may later extend such time for cause shown. After the filing of the petition and prior to the confirmation or other disposition of the composition or extension proposal by the court, the court shall exercise such control over the property of the farmer as the court deems in the best interests of the farmer and his creditors.

(f) There shall be prepared by, or under the supervision of, the conciliation commissioner a final inventory of the farmer's estate, and in the preparation of such inventory the commissioner shall give due consideration to the inventory filed by the farmer and to any supplementary inventory filed by a committee of the creditors.

(g) An application for the confirmation of a composition or extension proposal may be filed in the court of bankruptcy after but not before (1) it has been accepted in writing by a majority in number of all creditors whose claims have been allowed, including secured creditors whose claims are affected, which number shall represent a majority in amount of such claims, and (2) the money or security necessary to pay all debts which have priority unless waived, and in case of a composition, the consideration to be paid by the farmer to his creditors has been deposited in such place as shall be designated by and subject to the order of the court.

(h) A date and place, with reference to the convenience of the parties in interest, shall be fixed for a hearing upon each application for the confirmation of the composition or extension proposal and upon such objections as may be made to its confirmation.

(i) The court shall confirm the proposal if satisfied that (1) it includes an equitable and feasible method of liquidation for secured creditors and of financial rehabilitation for the farmer; (2) it is for the best interests of all creditors; and (3) the offer and its acceptance are in good faith, and have not been made or procured except as herein provided, or by any means, promises, or acts herein forbidden. In applications for extensions the court shall require proof from each creditor filing a claim that such claim is free from usury as defined by the laws of the place where the debt is contracted.

(j) The terms of a composition or extension proposal may extend the time of payment of either secured or unsecured debts, or both, and may provide for priority of payments to be made during the period of extension as between secured and unsecured creditors. It may also include specific undertakings by the farmer during the period of the extension, including provisions for payments on account, and may provide for supervisory or other control by the conciliation commissioner over the farmer's affairs during such period, and for the termination of such period of supervision or control under conditions specified.

(k) Upon its confirmation a composition or extension proposal shall be binding upon the farmer and his secured and unsecured creditors affected thereby: *Provided*, That such composition or extension shall not impair the lien of any secured creditor, but shall affect only the time and method of its liquidation.

(l) Upon the confirmation of a composition the consideration shall be distributed under the supervision of the conciliation commissioner as the court shall direct, and the case dismissed. Upon the confirmation of an extension proposal the court may dismiss the proceeding or retain jurisdiction of the farmer and his property during the period of the extension in order to protect and preserve the estate and enforce through the conciliation commissioner the terms of the extension proposal. The court may, after hearing and for good cause shown, at any time during the period covered by an extension proposal that has been confirmed by the court, set the same aside, reinstate the case, and modify the terms of the extension proposal.

(m) The judge may, upon the application of any party in interest, file at any time within six months after the composition or extension proposal has been confirmed, set the same aside and reinstate the case, if it shall be made to appear upon a trial that fraud was practiced in the procuring of such composition or extension, and that knowledge thereof has come to the petitioners since the confirmation thereof.

(n) The filing of a petition pleading for relief under this section shall subject the farmer and his property, wherever located, to the exclusive jurisdiction of the court. In proceedings under this section, except as otherwise provided herein, the jurisdiction and powers of the court, the title, powers, and duties of its officers, the duties of the farmer, and the rights and liabilities of creditors, and of all persons with respect to the property of the farmer and the jurisdiction of the appellate courts, shall be the same as if a voluntary petition for adjudication had been filed and a decree of adjudication had been entered on the day when the farmer's petition or answer was filed.

(o) Except upon petition made to and granted by a court of bankruptcy after hearing and report by the conciliation commissioner, the following proceedings shall not be instituted, or if instituted at any time prior to the filing of a petition under this section, shall not be maintained, in any court or otherwise, against the farmer or his property, at any time after the filing of the petition under this section, and prior to the confirmation or other disposition of the composition or extension proposal by the court:

(1) Proceedings for any demand, debt, or account, including any money demand;

(2) Proceedings for foreclosure of a mortgage on land, or for cancellation, rescission, or specific performance of an agreement for sale of land or for recovery of possession of land;

(3) Proceedings to acquire title to land by virtue of any tax sale;

(4) Proceedings by way of execution, attachment, or garnishment;

(5) Proceedings to sell land under or in satisfaction of any judgment or mechanic's lien; and

(6) Seizure, distress, sale, or other proceedings under an execution or under any lease, lien, chattel mortgage, conditional sale agreement, crop payment agreement, or mortgage.

(p) The prohibitions of subdivisions (o) shall not apply to proceedings for the collection of taxes, or interest or penalties with respect thereto, nor to proceedings affecting solely property other than that used in farming operations or comprising the home or household effects of the farmer or his family.

(q) A conciliation commissioner shall upon request assist any farmer in preparing and filing a petition under this section and in all matters subsequent thereto arising under this section and farmers shall not be required to be represented by an attorney in any proceeding under this section.

(r) For the purpose of this section and section 74, the term "farmer" means any individual who is personally bona fide engaged primarily in farming operations or the principal part of whose income is derived from farming operations, and includes the personal representative of a deceased farmer; and a farmer shall be deemed a resident of any county in which such farming operations occur.

#### WORK OF THE LEAGUE OF NATIONS FROM JULY 24, 1922, TO SEPTEMBER 30, 1922

Mr. SHEPPARD. Mr. President, I feel justified in fighting this motion with every weapon at my command.

I have addressed the Senate so often on the subject of prohibition that I desire at this time to take up another question.

About 10 years ago—10 years lacking just 6 days—I addressed the Senate on the subject of the proceedings of the League of Nations, and brought those proceedings to July 24, 1922. I now propose to give an account of the league's transactions from July 24, 1922, to September 30, 1922.

#### PERMANENT COURT OF INTERNATIONAL JUSTICE

The league's official journal for September, 1922, shows that by September, 1922, the following 34 members of the league had ratified their signatures to the statute of the Permanent Court of International Justice: Albania, Australia, Austria, Belgium, Brazil, Denmark, Finland, France, Greece, Haiti, India, Italy, Japan, Lithuania, Netherlands, New Zealand, Norway, Poland, Portugal, Rumania, Serb-Croat-Slovene State, Siam, Union of South Africa, Spain, Sweden, Switzerland, Uruguay, Venezuela;

That the following 13 had accepted and put into force among themselves the optional clause: Austria, Brazil, China, Denmark, Haiti, Lithuania, Netherlands, Norway, Portugal, Sweden, Switzerland, Uruguay;

That the following had not yet ratified their signatures to the statute: Bolivia, Chile, Colombia, Costa Rica, Estonia, Latvia, Liberia, Luxemburg, Panama, Paraguay, Persia, Salvador.

#### BARCELONA CONVENTION OF APRIL 20, 1922

The official journal also shows that by September, 1922, Albania, Bulgaria, United Kingdom of Great Britain and Ireland, India, New Zealand, and Italy had ratified the Barcelona convention and statutes of April 20, 1922, relating to freedom of transit and the régime of navigable waterways of international concern; that Albania, United Kingdom of Great Britain and Ireland, India, and New Zealand had ratified the additional protocol of that date relating to the régime of navigable waterways of international concern; and that Albania and Bulgaria had ratified the Barcelona convention of that date recognizing the right to a flag of States having no sea coast.

#### TRAFFIC IN WOMEN AND CHILDREN

The official journal shows further that by September, 1922, the following members of the league had signed the convention on the traffic in women and children, adopted at Geneva, September 30, 1921, and known as the convention of 1921: South Africa, Albania, Australia, Austria, Belgium, Brazil, Great Britain, Canada, China, Chile, Colombia, Costa Rica, Cuba, Czechoslovakia, Estonia, Greece, India, Italy, Japan, Latvia, Lithuania, New Zealand, Norway, Nether-



lands, Persia, Poland and Free City of Danzig, Portugal, Rumania, Siam, Switzerland, Sweden.

That the following members had ratified their signatures: South Africa, Australia, Austria, Belgium, Great Britain, Canada, India, New Zealand, Norway, Siam.

That the following nonmembers of the league had signed said convention: Germany, Hungary.

#### RATIFICATION OF AMENDMENT TO THE COVENANT

The official journal further shows that by September, 1922, the following members had ratified the amendments to the covenant submitted October 5, 1921: Denmark, Italy; and that Norway had ratified all the amendments except the amendment to article 6.

#### REPLIES AS TO EXPENDITURE ON ARMAMENTS

It is further shown by the official journal that on June 22, 1922, the Italian Government, from which the league had, on June 7, requested a reply to its letter of January 17, 1922, regarding the resolution of the second assembly on the question of limitation of national expenditure for the next two fiscal years, replied confirming that Government's letter of May 23, 1921, in which was stated a willingness to adhere to the similar resolution by the first assembly, provided all the other league members would also adhere, excluding naval estimates for purposes not connected with war preparations, such as naval instruction, naval signals, and so forth. To an inquiry, dated June 7, regarding the same resolution, the Swiss Government in July, 1918, replied that on September 14, 1921, the head of the Swiss delegation in the assembly had stated the reason preventing the Swiss Government from limiting its military expenditure in 1922 and 1923 to a sum no larger than that of 1921, namely, the unusually small military outlay for that year due to pressure of other expenses; that this temporary condition was disappearing; and that it had hoped to be able not to exceed in 1923 and 1924 the expenditures on armaments in 1922. To a similar inquiry, dated June 17, the Finnish Government answered on July 10, 1922, with a reaffirmation of its letter of April 26, 1921, stating that it welcomed the proposal for a general limitation of armaments, and had adopted a policy of decreasing the period of military service.

On July 10, 1922, the Japanese Government replied to the league's letter of January 19 on military expenditure that said government maintained the attitude expressed in its letter of April 26, 1921; that it desired, however, to draw attention to the fact that the total estimates for military, naval, and air expenditure in its 1922 budget were lower than those of 1921; that a further decrease was in view for 1923; that these reductions seemed to be in conformity with the assembly's recommendation. The Netherlands Government on July 25, 1922, advised that its military and naval expenses were lower in 1922 than in 1921; that it pointed to this fact in connection with the second assembly's armament recommendation. The Norwegian Government on July 26, 1922, pointed to similar reductions in response to the league's inquiries of January 17 and June 7, 1922. On July 31, 1922, the Government of the Kingdom of the Serbs, Croats, and Slovenes advised in response to the league council's decision of January 13, 1922, submitting the recommendations of the first and second assemblies on the subject of reduction of armaments, that it had reduced the numerical strength of its army to the minimum compatible with its necessities; that it was making, and would continue to make, every effort within its power to comply with these recommendations of the league.

#### REPLIES RELATING TO SECOND ASSEMBLY'S ACTION ON ARTICLE 16

On July 19, 1922, the British Government replied to the league's letter of January 27, 1922, stating that said government approved generally the resolutions of the second assembly regarding article 16 of the covenant, which set up provisional rules for the council's guidance pending compliance with article 26 as to ratification of proposed amendments to article 16, provided the other league members concurred. The British Government added, however, that the meaning of resolution 2 was not clear, but was presumably intended to be merely declaratory, and to mean that the obligation to adopt economic pressure arose only in the spe-

cific cases covered by articles 16 and 17, that if it was intended to preclude economic pressure except in case of actual war, a new obligation would be created requiring an amendment to the covenant and beyond the scope of a mere rule, that the resolution should be redrafted to make it clear. The British Government suggested further that the distinction suggested by resolution 14 between civil and military populations was hardly possible under modern conditions, and that the word "civil" had probably crept in through oversight.

The Swedish Government replied on July 21, 1922, to the league's inquiry of January 27, 1922, that it had encountered constitutional and legal difficulties in connection with the question of economic pressure and could not for the present furnish any definite information.

#### CONVENTION BETWEEN GREECE AND BULGARIA CONCERNING RECIPROCAL EMIGRATION

On July 28, 1922, the mixed Greco-Bulgarian Emigration Commission advised the league that on July 27 it had extended until October 15, 1923, the period fixed in article 4 of the convention between Greece and Bulgaria concerning reciprocal emigration signed at Neuilly-sur-Seine on November 27, 1919. The letter stated that in view of its importance the commission thought the decision should be communicated to the league. The text of the decision accompanied the letter.

#### PROTECTION OF MINORITIES IN LATVIA

At this point there appears in the league's official journal a letter from Doctor Walters, Latvian minister at Rome, written on July 17, 1922, to Mr. da Gama, Brazilian representative on the council of the league, to whom had been referred the question of minorities in Latvia. The letter began by stating that the writer had received Mr. da Gama's telegram of June 19, 1922, and noted with great satisfaction that Mr. da Gama was now considering the memorandum transmitted by the writer on behalf of Latvia.

The writer, Doctor Walters, then referred to the preliminary report which Mr. da Gama had drafted for the council and challenged its intimation that in the case of protection for minorities Latvia was in the same position as the countries which had concluded treaties with the Allied Powers. He contended that these countries depended on the peace treaties for their boundaries, and to a certain extent for their national life, whereas Latvia was in no such condition; that she was recognized de jure as an independent state by the allied powers without qualification at the supreme council held on January 26, 1921, and later by the other states, that Latvia had made no such agreement as the states in question had made when they accepted articles 86 and 93 of the treaty of Versailles by which they agreed to embody in a treaty with the allied powers such provisions as said powers might deem necessary to protect the interests of the inhabitants differing from the majority in race, language, or religion.

Latvia had undertaken only to approach the league council for the purpose of discussing the protection of minorities, thereby accepting the assembly's recommendation of December 15, 1920, a recommendation not legally binding, not imposing a condition, but expressing a desire, a recommendation based on the principle that the rights of minorities remain within the jurisdiction of the state, and merely appealing to the good will of the state to see that these rights were established. The recommendation had invited the Latvian representative to arrange with the council as to the details involved in the application of such rights. The assembly had not required the creation of any international or supernational law concerning minorities, and still less had authorized the council to draw up any such ordinances. It must above all be remembered, the writer continued, that assembly recommendations must conform to the covenant, which requires that a state's internal government shall in no way be violated.

The assembly had expressed a desire, without exacting it as a condition, that Latvian laws should be brought into harmony with existing general principles, the assumption being that if no agreement should follow, each party would



be where it was at first. Latvia was carrying out socially and legally the principles regarding minorities in the peace treaties voluntarily, and not as a matter of obligation under treaties imposed by force, bilateral in form, but unilateral in reality. She could be bound only by treaties which were really international and reciprocal, and until a reciprocal arrangement for some general scheme of protection for minorities had been reached she reserved the right freely to make her own internal laws. In the meantime there should be drawn up for Latvia, as had been done for Finland, a declaration recognizing that the Latvian guarantees, as set forth in the memoranda Latvia had supplied, were adequate for minority protection. The writer held that if any particular right of minorities in Latvia should be internationalized, or described as a right of general concern, a menacing situation might develop both for Latvia and for peace. Such a course might endow every other State and the league with a political right of intervention if it considered these rights had been threatened. Pursuant to instructions from his government the writer would refuse to sign a unilateral declaration the effect being under the terms of articles 4 and 5 of the covenant that no decision, either as to subject-matter or procedure, could be taken.

#### THE OPIUM TRAFFIC

The league journal next contains a memorandum sent by the United States Government to the Netherland Government in accordance with the opium convention of 1912 and transmitted by the latter Government to the league for distribution to all league members signatory to the convention.

The first observation in the memorandum relates to the contraband trade in opium in China, dealt with in article 15 of said convention, and states in reference to the fact that the powers having treaties with China had been directed to article 15 that the United States Government had concluded a treaty with China on November 17, 1880, as to commercial intercourse and judicial procedure. By article 2 of that treaty both Governments had agreed to prohibit the importation of opium into the United States by Chinese citizens and the importation of and traffic in opium by citizens of the United States in China. Accordingly, Congress had enacted a law on February 23, 1887, prohibiting importation of opium into the United States by Chinese citizens and the importation, transportation, purchase, and sale of opium on the part of China by citizens of the United States. Every effort had been made to enforce the law, and large quantities of opium had been destroyed by authorities of the United States functioning in China.

The second observation recited section 6 of the act of Congress approved January 7, 1914, relating to import certificates and the regulations applicable thereto, and described further legislation pending in Congress.

The third observation related to the statistics the United States had been compiling as to production, manufacture, and sale of narcotic drugs within its territory and added that it was prepared to communicate through the Netherland Government to the powers signatory to the International Opium Convention an annual report comprising these statistics and such information concerning the illicit traffic in such drugs as would in its opinion assist in combating the opium evil. The United States thought that the adoption of the suggestions in the notes of the Netherland Government on these subjects by all the signatory powers of the international convention would bring about better regulation of the traffic in narcotic drugs.

#### INTERNATIONAL HYDROGRAPHIC BUREAU

The official journal next contains a notation to the effect that the directing board of the International Hydrographic Bureau at Monaco had advised the league that Egypt had been authorized by its Council of Ministers on March 25, 1922, to become a member of the bureau. The journal noted that this brought the number of countries associated with the bureau to 22.

The journal then presents a summary of information received from the states belonging to the Hydrographic Bureau showing what their hydrographic offices had done in 1921 and intended doing in 1922.

Chile reported that the hydrographic service of its navy in 1921 had made 14 surveys of bays, harbors, and so forth, on the Chilean coast; that 15 charts of ports, anchorages, channels, and portions of the coast of Chile had been drawn and made ready for engraving; that 4 charts were being engraved, 4 others were being drawn, that 2 had been engraved, and 1 reproduced by photolithography. Chile reported further that in 1922 surveys of the western entrance to the Magellan Straits and of the coast of the Province of Tacna had been completed; that 3 new coastal charts, with numerous plans, and 1 plan of ports in the Gulf of Aranco were being engraved, and 3 new plans of various ports were being prepared.

Greece reported that on account of war conditions and the death of its hydrographic director, only work of strictly local nature had been done in 1921 by the hydrographic service of its navy.

Japan reported that the hydrographic service of the Imperial Japanese Navy had made in 1921, 9 new surveys in the Caroline and Marshall Islands, and 2 sketch surveys on the coast of Siberia, 4 resurveys of the coasts of Japan, 4 of Korea, and 2 of Taiwan; had published 11 new charts compiled from Japanese sources, 114 from foreign sources, and 4 miscellaneous; had issued 19 new editions of charts from Japanese sources, 23 from foreign sources, and 18 miscellaneous; had published 3 volumes of sailing directions, 1 list of lights, tide tables for 1922, and a volume of miscellaneous reports on hydrography. Japan further reported that it was engaged during 1922 in making 4 hydrographic surveys on the coasts of Japan and of its dependencies, in making search for and examination of 2 reported shoals, in making observations of tidal currents, in making magnetic surveys at various points in Japan, and in publishing 12 new charts.

Siam reported that the hydrographic office of the Royal Siamese Navy had during the fiscal year 1921-22 made a survey of part of the east coast of Siam and had published 2 charts and 2 tide tables; that the work projected for 1922-23 consisted of 2 surveys of parts of the Siamese coasts and the publication of 6 charts and of the tide tables for 1923.

#### RELIEF WORK IN EUROPEAN COUNTRIES

The league's official journal here notes that at Paris on February 26, 1921, the council of the league recommended that the League of Red Cross Societies and the International Committee of the Red Cross form a joint council to deal with voluntary relief work in Europe, the council agreeing in such event to notify all league members and ask them for assistance; that after the formation of such joint council the league council on June 22, 1921, so notified and requested league members suggesting, first, free transport by governments of material destined by the joint council for use of distressed areas; second, exemption from customs duty for all such material; third, opportunities for local purchase of foodstuffs and necessities at lowest prices. On July 8, 1922, a reply had been received from Czechoslovakia stating that substantial reductions had been secured in transport rates.

#### SAAR BASIN

The league journal then shows that on July 27, 1922, the chairman of the governing commission of the Saar basin had written the league a letter advising concerning the work of the advisory council constituted in the Saar territory by the governing commissioners' decree of March 24, 1922, the members of the council having been elected on June 25, 1922. The letter stated that the governing commission had appointed as chairman of the council Mr. Kossmann, a former Reichstag member belonging to the Center Party having a majority in the advisory council; that at the opening of the council's first session the chairman of the governing commission read a message to the council from the commission, a copy of which was attached to this letter to the league. After the reading of the message representatives of the different political parties in the council asked to speak in reply in order to state their political programs. Copies of their addresses accompanied this letter to the league. The advisory council then appointed a com-



mittee to examine the draft rules of procedure for the council drawn up by the governing commission. The commission took under consideration the opinions expressed by the council as to those rules, but acted immediately on the recommendation of the council regarding payment of its members.

#### STAFF LIST OF SECRETARIAT AND INTERNATIONAL LABOR OFFICE

The official journal next presents a staff list of the secretariat of the league and of the International Labor Office with salaries paid each official and employee in accordance with the first assembly's resolution of December 17, 1920.

#### REGISTRATION OF INTERNATIONAL ENGAGEMENTS WITH LEAGUE

The official journal for October, 1922, shows that in April, 1922, the British Empire, Denmark, Finland, France, Germany, and Sweden had filed with the league ratifications of the convention of October 20, 1921, regarding the nonfortification and neutralization of the Aaland Islands, that Italy had filed its ratification in May, 1922, Latvia in September, Poland in June. On September 6, 1921, Panama filed its adhesion to the convention of September 30, 1921, on the suppression of the traffic in women and children, subject to ratification. Sweden and Siam, in August and September, 1922, respectively, filed protocols regarding amendments to the covenant submitted October 5, 1921.

#### CONVENTION OF ST. GERMAIN ON TRAFFIC IN ARMS

According to the official journal, Canada, on July 28, 1922, replied to the league's letter of June 13, 1922, in reference to the arms traffic convention of St. Germain that it was prepared to agree to ratification by His Majesty as soon as all the principal allied and associated powers were prepared to ratify, and subject to safeguards against nugatory action by nonsignatory states. Estonia replied that the question of adherence would be submitted to the next session of the State assembly. Portugal replied that its ratifications of the international conventions signed at St. Germain on September 10, 1919, concerning the liquor traffic in Africa and the control of the traffic in arms and munitions had been delivered at Paris on July 17, 1922.

#### LIMITATION OF NATIONAL EXPENDITURE ON ARMAMENTS

Siam replied on August 19, 1922, to the league's note of March 8, 1921, regarding limitation of armament that internal conditions made her situation exceptional, but that every effort would be made to limit the military budget for the succeeding two years in accordance with the spirit of the assembly's recommendation.

#### MINORITIES IN LATVIA

The league journal sets out a letter to the league from Doctor Walters dated July 31, 1922, and giving a detailed account of the condition of minorities in Latvia.

#### SAAR BASIN AND DANZIG

The league journal sets out the secretary-general's report on the Saar Basin and Danzig, summarizing important features for consideration of the twenty-first meeting of the league council.

#### INCURSIONS OF BANDS IN FRONTIER DISTRICTS OF STATES BORDERING ON BULGARIA

The official journal contains a copy of a memorandum filed with the league which had been sent on June 19, 1922, by the Bulgarian Government to the Greek, Rumanian, and Serb-Croat-Slovene Governments. It is stated that the Bulgarian Government, actuated by a sincere desire, of which it had given many proofs, to solve the question of the armed bands of which the Serb-Croat-Slovene Government had complained, had proposed on June 9, 1922, that a Serbo-Bulgarian mixed commission should be formed to decide what immediate steps should be taken to restore peace on the frontier and to clear neighboring districts of all elements which threatened peace; that on June 14 the Royal Serb-Croat-Slovene Government sent a reply appearing to indicate that it considered such a commission inadvisable. The Bulgarian State then stated that inasmuch as the object it had in view was cooperation of two official forces in suppressing any threatening movements in the frontier zone, it suggested that the military and administrative authori-

ties on the Serbo-Bulgarian frontier should agree on a plan of common action and should organize telegraphic and telephonic communication between the posts in the frontier zone for the exchange of information relating to movements of armed bands in order to facilitate pursuit.

On July 16, 1922, the Rumanian, Greek, and Serb-Croat-Slovene Kingdoms replied in a note, a copy of which was filed with the league, accepting the Bulgarian proposal, but adding that in order to render the proposal effective the three Governments were of opinion that the Bulgarian Government should withdraw from the frontier zone all officials and State servants and all comitadjis notorious in the countries bordering on Bulgaria, and should in future suppress the activities of the so-called charitable associations which, under cover of charitable work, organized the dispatch of armed bands into the territory of the three Governments to terrorize the population precisely as was done under Turkish rule.

On August 17, 1922, the Bulgarian Government, in a letter to the Greek, Rumanian, and Serb-Croat-Slovene Governments, a copy of which was filed with the league, stated that as a result of the resolution of the Council of the League of Nations adopted at the meeting of July 19, 1922, in which the Bulgarian Government recommended the opening of direct negotiations on the question of armed bands, it noted with pleasure the acceptance of its proposal of June 19, 1922. It was greatly surprised, however, by the preliminary conditions required, stating that the first suggested removal from frontier zone of officials and other persons alleged to be guilty of illegal activities. These demands, the letter continued, contained fresh accusations and imposed responsibilities not established by any inquiry or legal investigation and could not be accepted. The letter insisted in joint action in line with the proposal of June 19.

According to the official journal, Mr. Dendramis, director of the permanent Greek secretariat accredited to the League of Nations, stated in a letter to the secretary general of the league, dated August 18, 1922, that in a note dated June 17, 1922, Mr. Mikoff, the Bulgarian representative accredited to the League of Nations, had requested the secretary general to draw the attention of the league council to the dispute between Bulgaria and her neighbors as a result of the activities of Bulgarian armed bands; that on page 4 of this note it was asserted that Greek armed bands and agitators enter Bulgarian territory. The letter from Dr. Dendramis added that this was so baseless that the Bulgarian Government itself denied ever having made such a statement; that the Bulgarian delegation to the league had said that the rumors that Bulgaria had accused her neighbors of invading her territory with bands was devoid of foundation.

The league's official journal next sets forth a letter from the Serb-Croat-Slovene Government to the league reviewing the dispute with Bulgaria to the time of the Bulgarian note of August 17, already mentioned, and stating that the Serb-Croat-Slovene Government would suggest to Greece and Rumania that the three governments would request that the Bulgarian Government remove notorious comitadjis officials from the frontier to the interior of Bulgaria and cease to allow refugees from neighboring countries to establish themselves on the frontier where they were a source of disturbance.

#### REPRESENTATION OF CUBA IN THE LEAGUE

On September 11, 1922, Cosme de la Torriente, president of the Cuban delegation in the assembly of the league, addressed a letter to the secretary general asking him in view of paragraph 5, article 7 of the covenant to inform league members and the Swiss Federal Council that under decree 806, issued by the Cuban Government June 1, 1922, the present representatives of Cuba in the Assembly of the League of Nations had been made permanent representatives. The decree of the Cuban Government accompanied the letter. It recited that whereas membership in the league imposed international obligations, the fulfillment of which would materially contribute at the present time to furtherance of friendly relations and to strengthening the



position of Cuba as a sovereign state, the President of Cuba, Alfredo Zayas, by virtue of the powers conferred on him by the constitution and laws and by advice of the Ministry of State, decreed first that the recommendations in the memorandum on the second assembly of the league submitted by Mr. Torriente be approved; second, that the League of Nations auxiliary committee referred to in recommendation No. 12 of chapter 14 of the memorandum, be created and summoned to meet immediately; third, that a department of the ministry of state be created to deal with matters relating to the League of Nations; fourth, that the appointment of the Cuban delegation to the assembly of the League of Nations be permanent, and that in recognition of their valuable services at the second assembly the following gentlemen be appointed to be representatives in accordance with article 3 of the covenant: Messrs. Torriente, Aguero, and DeBlanck, and that Mr. Campa be appointed a substitute representative and secretary general to the delegation, and so forth.

#### WASHINGTON CONVENTION CONCERNING NIGHT EMPLOYMENT OF WOMEN

It appears in the league journal that on September 4, 1922, the league announced that it had been advised by the Netherland Government of the ratification by that government of the convention concerning employment of women during the night adopted by the International Labor Conference which met at Washington, October 29 to November 29, 1919, and of the registration by that Government of said ratification with the secretariat of the league in accordance with article 406, part 13, of the treaty of Versailles.

#### REGISTRATION OF INTERNATIONAL ENGAGEMENTS WITH LEAGUE

The official journal of the league for November, 1922, shows that the Czechoslovak Government advised the league on July 24, 1922, that it had decided to respect the régime established by the convention relating to nonfortification and neutralization of the Aland Islands.

#### PROTOCOLS REGARDING AMENDMENTS TO COVENANT

The league's official journal shows that on October 4, 1922, Bulgaria ratified the protocols regarding amendments to the covenant proposal on October 5, 1921.

#### TRAFFIC IN WOMEN AND CHILDREN

The official journal notes that on September 18, 1922, adhesion was given by the following British colonies and protectorates to the convention of September 30, 1921, on the suppression of the traffic in women and children: Bahamas, Ceylon, Cyprus, Gibraltar, Hong Kong, Kenya, Malta, Nyasaland, Straits Settlements, Southern Rhodesia, Trinidad.

#### BARCELONA CONVENTIONS

According to the official journal the declaration of the Barcelona conventions of April 20, 1921, recognizing the right to a flag of states having no seacoast was adhered to on October 9, 1922, by the United Kingdom of Great Britain and Ireland, India, New Zealand, and Newfoundland.

#### CONVENTION OF ST. GERMAIN ON THE TRAFFIC IN ARMS

It is shown by the league's official journal that on July 28, 1922, the Government of the United States, through its Secretary of State, wrote the league stating that the communication which the secretary general of the league addressed to the Secretary of State of the United States on November 21, 1921, had received careful consideration. The letter from the United States Government, which is set out in the league's official journal, states further that in its communication of November 21, 1921, the league had been so good as to bring to the knowledge of the Secretary of State a resolution adopted on October 1, 1921, by the league assembly suggesting that the importance of ratifying the arms traffic convention of St. Germain should be strongly impressed on all the states signatories thereto, whether members of the league or not, as well as the decision of the council of the league that the assembly's resolution should be brought to the notice of all states which had not notified the league of their intentions on the subject.

The letter then stated that in reply to the inquiry made by the league through its secretary-general in pursuance

of this action by the assembly and the council, the Secretary of State begged to say that the terms of the proposed convention had been carefully examined and, that while the Government of the United States was in cordial sympathy with efforts to restrict the traffic in arms and munitions of war, it found itself unable to approve the provisions of the convention and to give any assurance of its ratification. The letter stated further that the Secretary of State also desired to call attention to the fact that the Government of the United States was desirous of cooperating for the purpose of suitably controlling traffic in arms and ammunition, and, to that end, the Congress of the United States had already enacted legislation providing that whenever the President found that in any American territory, or in any country in which the United States exercised extra-territorial jurisdiction, conditions of domestic violence existed, which were or might be promoted by the use of arms or munitions of war procured from the United States, and made proclamation thereof, it would thereafter be unlawful to export, except under such limitations and exceptions as the President prescribed, any arms or munitions of war from any place in the United States to such country until otherwise ordered by the President or by Congress.

The league journal shows that the Australian Government on August 25, 1922, notified the league that it was prepared to ratify the Arms Traffic Convention signed at Paris on September 10, 1919, its ratification not to take effect until the other signatory powers had ratified, and safeguards had been provided against nugatory action by nonsignatory states.

#### LIMITATION OF ARMAMENT

According to the league's official journal, Rumania replied on the question of armament limitation on July 1, 1922, that, on account of the threatening position of Soviet Russia, she could not, while that condition continued, entertain any policy of limiting the number of military effectives. On the same subject New Zealand replied on September 30, 1922, that it adopted as its own the answer of the British Government of March 21, 1922, subject to the further reservation that the New Zealand Government might at any time increase its share in the defense of the Empire.

#### SAAR BASIN

The official journal records a letter from the German Government dated August 18, 1922, asking the league for the early withdrawal of French troops from the Saar Territory, and a letter to the league from the governing commission, dated September 22, 1922, commenting on the German letter and advocating the retention of the troops.

#### INCURSIONS OF BANDS INTO FRONTIER DISTRICTS OF STATE BORDERING ON BULGARIA

The league journal contains a copy of the note of the Serb-Croat-Slovene Government in reply to the note of August 17 from Bulgaria to the three neighbor governments, stating that in refusing to withdraw from the frontier zone those officials who were aiding and abetting comitadjis and emigrants the Bulgarian Government had asserted that it was accused of actions of which it knew nothing; that it was strange that the Bulgarian Government should be totally unaware of the complicity of these officials in the exploits of the comitadjis; that this ignorance was especially strange in the case of emigrants, since Mr. Stambouliski had admitted in his memorandum to the Genoa conference that the emigrants shared in the activities of the comitadjis, being accustomed to their "idyllic life." The Serb note to Bulgaria added that it was a matter of common knowledge that emigrants had settled in easy reach of the respective frontiers of Bulgaria's neighbors; that practically all the comitadji bands were recruited from the emigrants, and that with the emigrants near the frontiers bands could be more easily organized and raids more readily carried out; that accordingly the Serb-Croat-Slovene Government and the Rumanian Government, being desirous of reaching an agreement in this matter with Bulgaria, considered it im-



perative, before any combined action was undertaken by the four states concerned, that those emigrants at least who had become involved in the activities of the comitadjis should be withdrawn from the frontier zone and sent into the interior.

#### RUSSIAN REFUGEES

It is noted in the official journal that Finland on August 15, 1922; France on September 4, 1922; and Great Britain on September 7, 1922, had replied to the league circular of August 11, 1922, proposing on the suggestion of the Geneva conference and the league council a form of identity passport certificate for Russian refugees, that they agreed to such unified form.

#### ASIA MINOR REFUGEES

The league's official journal records contributions for relief of refugees from Asia Minor as follows: Great Britain, £16,000; Canada, £5,000; Greece, 1,000,000 drachmas (about £5,000); New Zealand, £1,000; Sweden, £1,000. Great Britain, in response to the third assembly's resolution, had promised £50,000, conditioned on a similar amount from remainder of league members combined. Denmark had promised £1,000, Brazil, £1,000, Norway, £1,000, Spain, £1,000. The journal published Doctor Nansen's appeal to the world in behalf of these refugees, stating that they were in a deplorable condition, were without money, sufficient clothing, or shelter, and frequently without food, and so forth; that they numbered about 750,000 men, women, and children.

#### INTERNATIONAL LABOR ORGANIZATION

The journal shows that on September 8, 1922, Estonia advised the league of the ratification of the draft conventions of the International Labor Conference at Geneva October 25–November 29, 1921, first, concerning the age for admission of children to employment in agriculture; second, concerning the rights of association and combination of agricultural workers; third, concerning workmen's compensation in agriculture; fourth, concerning the use of white lead in painting; fifth, fixing the minimum age for the admission of young persons to employment as trimmers and stokers; sixth, concerning compulsory medical examination of children and young persons employed at sea.

On October 7, 1922, Finland advised the league of its ratification of the draft convention for establishing facilities for finding employment for seamen adopted by the International Labor Conference at Genoa June 15–July 10, 1920.

On October 9, 1922, Switzerland advised the league of its ratification of the draft conventions of the International Labor Conference at Washington October 29–November 29, 1919, first concerning unemployment; second, concerning employment of women during the night; third, fixing the minimum age for admission of children to industrial employment; fourth, concerning the night work of young persons employed in industry.

*Twentieth session of the council, held at Geneva on August 31 and October 4, 1922*

At the twentieth session of the council member nations had the following representatives: Spain, Mr. Quinones de Leon, president; Belgium, Mr. Paul Hymans; Brazil, Mr. Domicio da Gama; British Empire, Lord Balfour; China, Mr. Tang Tsai-Fou; France, Mr. Gabriel Hanotaux; Italy, Marquis Imperiali; Japan, Viscount Ishii and Mr. Adatci.

*First meeting (public), August 31, 3.30 p. m.*

#### "A" MANDATES—THE COMMISSION FOR THE HOLY PLACES

Lord Balfour said that agreement had been reached at the London session in July, 1922, regarding the mandate for Palestine, but that the question of the holy places remained unsettled; that the mandatory power was charged with the difficult task of proposals regarding them, and that the British Government had prepared a scheme intended to do justice to all concerned as far as possible. He added that the members of the council were invited to examine the scheme and consult their governments; that the council was not called upon to make a decision before the governments had opportunity to be heard.

These declarations were noted by the council.

#### BRITISH PROPOSAL REGARDING HOLY PLACES IN PALESTINE

The British proposal submitted by Lord Balfour to the council in relation to the holy places in Palestine was as follows:

First. Article 14 of the Mandate for Palestine provides that a special commission shall be appointed by the mandatory to study, define, and determine the rights and claims in connection with the holy places and the rights and claims relating to the different religious communities in Palestine; the method of nomination, the composition and functions of the commission to be submitted to the council of the league for its approval; the commission not to be appointed or enter upon its functions without the council's approval. This provision must be considered in connection with article 13, which requires the mandatory to preserve existing rights in connection with the holy places, including the maintenance of the status quo.

Second. To insure that questions affecting Christians should be considered and settled by Christians without the intervention of Jews and Mohammedans, the Holy Places Commission should be divided into 3 subcommissions—1 Christian, 1 Moslem, 1 Jewish—each subcommission to deal exclusively with its own religion, and to have its own president who would preside over its deliberations.

Third. There was to be, as chairman of the commission, an individual of high standing and judicial temperament, and of such character as to insure confidence in his impartiality.

Fourth. In each subcommission should be represented the States and confessions more especially concerned. The Christian subcommission might be composed of a French president, three Catholic representatives (Italian, Spanish, and Belgian), three orthodox (one of whom should be Greek and one Russian), one Armenian, and one or possibly two representatives of the Abyssinians and the Copts, unless both were of same confession, in which case one would suffice. The Moslem subcommission might be made up of an Italian president, with a Palestinian, French, and Indian Moslem; the Jewish subcommission of an American president, with a Palestinian, a British and a Portuguese or Spanish Jew to represent the Sephardia sect.

Fifth. Unanimous report by a subcommission to be final except where the council, under whose guaranty the holy places were to rest, referred back some point for further consideration. Where no unanimous report could be had in a subcommission, the point involved was to be decided by the chairman of the whole commission.

Sixth. Questions affecting more than one religion might be handled by representatives of the subcommissions concerned sitting together; and where no agreement could be reached, the point involved was to be settled by the chairman of the whole commission.

Seventh. The commission to have a secretariat, and the secretary-general to be appointed by the British Government, since the expense of the secretariat would fall on the administration of Palestine.

Eighth. An American citizen reasonably prominent would seem to be most suitable chairman of the whole commission, inasmuch as this would give representation to Protestant communities not otherwise represented on the commission.

Ninth. The chairman of the commission and president of each subcommission to be appointed by the mandatory after consultation between the British Government and the government concerned. Representatives of various confessions to be appointed in consultation with heads of religious denominations concerned, or, if this is not possible, with the governments concerned. These appointments not to be made until approved by the league council.

Tenth. Expenses of chairman of commission and of presidents of subcommissions to be borne by League of Nations. Expenses of representatives of various religious and confessions to be borne by the religious communities they represent. Expenses of secretariat to be borne by administration of Palestine.

Eleventh. If permanent arrangements should be necessary for dealing with questions which might arise in the future



as to interpretation of reports and recommendations of commission, or on new questions, they might be provided by creating small local committees selected and nominated by each subcommission. If these local committees should be unable to agree, the subcommittee concerned, or, if necessary, the entire commission might reassemble.

Twelfth. It was to be clearly understood that the functions of the Holy Places Commission do not include any administrative responsibilities nor any interference with right and duty of the mandatory to preserve order and decorum.

*Second meeting (private), October 4, 3.30 p. m.*

"A" MANDATES—THE COMMISSION FOR THE HOLY PLACES

Lord Balfour discussed the British proposal regarding the holy places in Palestine, which, he said, had been prepared by the British Colonial Office, and which he had submitted to the council on August 31. He said that while this proposal represented an honest effort to solve the problem, and embodied valuable suggestions, many of which would probably be followed in the final settlement, the plan itself had met with the great disfavor from those who represented Catholic opinion throughout the world. Under such circumstances he stated that it would be folly to attempt to force the scheme through, even if the attempt would probably be successful.

Great Britain, the mandatory power, felt, he continued, that it was of the very greatest importance to carry out a plan relating to the holy places with the "consenting feeling," not necessarily with the absolute agreement, of all the great religious denominations concerned, and that resentment in certain very important quarters was sufficient reason for another effort.

He stated that he thought the prejudice against the scheme proposed by Great Britain was based largely on a misunderstanding; that under the scheme the final court of appeal was to be an American Protestant; that he thought there was a very strong feeling throughout the Catholic world that to place a Protestant in that position was to outrage the spirit of history and to offend a great many very strong susceptibilities. To put a Protestant, he said, where he could render opinion on Catholic dogma or Catholic ritual or Catholic ecclesiastical practice and law would be a "gross impertinence" of which the British Government was incapable; and this was not what the Protestant chairman of the commission was intended to do. He was to act only as a court of appeal in a dispute between Christian denominations and not in matters concerning Catholic opinion as such.

Lord Balfour contended that there was advantage in having as a judge one who widely sympathized with the religious sentiments of all concerned and was wholly unconnected with either party to the litigation. The new proposal was an improvement, he urged, over the old system. Under the old system of dealing with the holy places Mohammedans had composed the court of appeal for more than a thousand years. The speaker thought something was gained by substituting on a matter which concerned Christians a Christian judge for a Mohammedan judge, adding that while the Turks and their Mohammedan predecessors controlled Palestine and the holy places decision rested with people "who, whatever their sentiments may be, are not, by common consent, in the forefront of juridical practice."

Again, he said, under the old system the rulers of the country were judges between Christian sects, and the same objection could have been made if a British court of appeal had been designated. So a court of appeal from a country not the mandatory power, entirely separated from the local politics and local interests of Palestine, had been suggested. In view of the developments mentioned, however, Lord Balfour thought the British proposal for a commission for the holy places should not be pressed, and he stated that the scheme in its entirety was to be understood as being no longer before public opinion. Misunderstandings were too easy and explanations too difficult. He said that further efforts to reach common ground among representatives on the council had failed, that he did not consider himself

capable of suggesting a remedy, that the difficulties must be settled by the interested powers themselves. The British scheme had been shipwrecked, he stated, by the fact that an American Protestant was to be the arbiter between the contending churches in Palestine, but that when that difficulty was removed others developed, and no agreement was found possible at the time between his colleagues on the council, who represented countries in which the great majority of Christians were Catholic Christians.

He then said that if the powers interested could not agree he did not see how they could ask an outside power to mediate, that he appealed to the representatives of the countries of which he now spoke to make every effort to reconcile views through their governments, views which so far seemed irreconcilable; that unless Catholic opinion could be harmonized, he did not see how a satisfactory conclusion could easily and quickly be obtained. He then stated that there were still other difficulties. It was the duty of the mandatory power not only to find or adopt a solution of differences of opinion within the Catholic community, but to see that justice was done between Catholic and Orthodox, Orthodox and Jew, Orthodox and Armenian, indeed, between all Christian sects which for centuries had made disputing contentions in relation to the holy places. The mandatory power was also to see justice done between Turk and Jew, Christian and Turk, and between all disputing sects that had so long contended over questions of management and ritual, times and seasons of ceremonies relating to these ancient and sacred places.

He observed that next to the great Catholic body in the world stood the Orthodox, the latter, however, not being strongly represented in the League of Nations, the four member nations in which a majority of Christians belonged to the Orthodox being Greece, Bulgaria, old Serbia, and Rumania. While the percentage of Orthodox nations in the league was small, the populations concerned were large, had taken for centuries a deep interest in the holy places, and historically might be said to be more intimately connected with them than the Catholics, although the speaker was well aware that the two had been united in the earlier days when these places began to be officially revered by large religious populations. The Orthodox Church had no representative on the council and few representatives in the league, and that no system would be accepted by the mandatory power which did not deal justly with Orthodox nations. There were two difficulties to meet, therefore; the difficulty within the Catholic Church itself which the speaker begged the representatives of the countries in which a majority of Christians were Catholic to do their utmost to settle, and the difficulty of settling disputes between Catholic and Orthodox. He urged a united effort to reach a solution satisfactory to all the world, to Catholic, to Orthodox, to Protestant, and to all others, to the end that peace, order, and decorum might prevail in Palestine.

Mr. Hanotaux remarked that the only course open to the council was to submit the question to the governments interested; that, like Lord Balfour, he thought the first step was agreement among the Catholic powers, and then between Catholic and Orthodox.

Mr. Quinones de Leon and the Marquis Imperiali stated that they would communicate Lord Balfour's statement to their governments; that they felt that their governments would endeavor to the utmost to devise a scheme which would serve as a basis for further deliberation by the council.

The twentieth session of the council adjourned.

*Twenty-first session of council held at Geneva from August 31 to October 31, 1922*

Representation of member nations composing the council at its twenty-first session was as follows: Brazil, Mr. Domicio da Gama (president); Belgium, Mr. Paul Hymans; British Empire, Lord Balfour; China, Mr. Tang Tsai-Fow; France, Mr. Gabriel Hanotaux; Italy, Marquis Imperiali; Japan, Viscount Ishii and Mr. Adatci; Spain, Mr. Quinones de Leon.

First meeting (private), August 31, 5.30 p. m.

QUESTION OF EIGHT STATES OF CHIEF INDUSTRIAL IMPORTANCE; INDIA'S CLAIM

A telegram was read from the Indian Government asking to be invited to send a representative to attend the council when her claim for inclusion among the eight States of chief industrial importance was considered. The question arose as to whether India could be represented on council with right to vote under article 4 of covenant, or whether council sat in connection with this subject as in some sense a court of arbitration. The council asked the opinion of the director of the legal section of the secretariat of the league. He read article 4 of the covenant and article 393 of the treaty of Versailles, stating that in his opinion the council would act as arbitrator; that India could not be both judge and party to the case. All states signing treaty of Versailles had accepted article 393 and the jurisdiction it provided for the council. Moreover, other states were involved in the present question. India might be invited, however, to send a representative to attend the council and present its case. Lord Balfour agreed with the legal director, Dr. Van Hamel. Mr. Hymans approved in principle, but said that if one of the states concerned should be heard the rest might ask the same privilege and endless discussion follow. He said a competent commission had made a thorough inquiry and had prepared a provisional list of states whose claims must be considered. The secretary general of the league stated that the data prepared by the commission would form sufficient basis for a decision; that the present question was one of procedure.

The council decided to inform the Indian Government that while it was ready to hear the Indian representative it suggested for the Indian Government's consideration that it might be better to submit a written statement, as Poland had done.

TRANSFERS IN BUDGET OF 1922

Mr. Tang Tsai-Fou presented a report authorizing certain transfers in the budget of the fourth financial period. Mr. Hanotaux agreed but said that these transfers should be avoided as far as possible. The report consisted of a memorandum by the secretary general calling attention to the fact that the assembly at its second session authorized transfers from one item to another of the same section of the budget, subject to previous sanction by council. Because the Swiss franc had during 1922 appreciated in relation to the gold franc in a manner unforeseen when the budget of 1922 was drawn up, two transfers of small amounts had become necessary to meet charges under two items where the budget allowance would fall a little short. The memorandum proposed that the secretary general be authorized to transfer the sum of 15,000 gold francs from item 3a of the budget, "Salaries, wages, and allowances of the secretariat at Geneva," to item 3b, "Salaries of the house staff at Geneva," thus reducing the former item to 4,091,300 gold francs and increasing the latter to 235,000 gold francs. It also proposed the transfer of 15,000 gold francs from item 21 of the budget, "International blockade committee," to item 16, "Permanent advisory commission for military, naval, and air questions," reducing former item to 60,000 gold francs and increasing latter to 115,000 gold francs.

These proposals were approved by the council.

EXPENSES OF MISSION SENT TO NEUTRAL ZONE BETWEEN POLAND AND LITHUANIA

Mr. Hymans announced that pursuant to the resolution adopted at the eighteenth session Mr. Saura had been appointed sole commissioner and had gone to the neutral zone between Poland and Lithuania accompanied by Mr. Las-sitch, a member of the league secretariat, as secretary. The council resolved to charge the expense of this mission to an amount not exceeding 15,000 francs to item 25 of budget, "Unforeseen expenditure, such as special commissions of inquiry, and so forth (subject to special vote of council)", the expense to be apportioned as follows: Salaries and traveling allowances, 9,000 Swiss francs, traveling and transport expenses, 3,000 Swiss francs, unforeseen and miscellaneous expenses, 3,000 Swiss francs.

FINANCIAL POSITION OF LEAGUE

A periodical report on the financial position of the league was submitted to the council by the secretary-general and was merely noted inasmuch as the question was soon to be taken up by the assembly.

PLACING CERTAIN OFFICIALS OF SAAR BASIN TERRITORY AT DISPOSAL OF GERMAN GOVERNMENT

Mr. Tang Tsai-Fou reported on the question involved in the appeal by the German Government on July 23, 1922, for league intervention in a controversy with the Governing Commission of the Saar Basin regarding the placing of certain officials at the disposal of the German Government. The report suggested that negotiations in progress between the parties be permitted to continue and that the parties be so advised. Report adopted.

PRELIMINARY MEASURES IN VIEW OF PLEBISCITE IN SAAR BASIN TERRITORY

Mr. Tang Tsai-Fou submitted a report on the preliminary measures to be taken for preservation of information in connection with the plebiscite in the Saar Territory. He called attention to paragraph 34, chapter 2 of annex to article 50, Versailles treaty, providing that 15 years from date of treaty population of Territory of Saar Basin would be called upon to vote by communes or districts on the three following alternatives: (1) Maintenance of régime established by Versailles treaty and said annex to article 50; (2) union with France; (3) union with Germany—that all persons regardless of sex, more than 20 years old at date of voting, resident in territory at date of signature of present treaty, would have the right to vote; that the other conditions, methods, and date of voting should be fixed by the council in such way as to secure freedom, secrecy, and trustworthiness of voting. He stated that on March 26, 1922, the council had adopted a memorandum by the secretary general concerning steps to be taken for preservation of information in connection with this plebiscite; that in doing this the council meant to take only such measures as were urgently needed to preserve legal evidence.

The speaker believed that no decision should be made at present as to what individuals would be entitled to vote, that no lists of voters should be drawn up at present, and that there should be no interpretation of specific provisions of the treaty. It would be sufficient to provide for the safe-keeping of any local official records which might be useful in determining at the proper time whether a particular individual met the treaty requirements for participation in the plebiscite, copies of the records to be compiled for the use of the council and kept at the secretariat of the league, the work of examining and classifying the records to be done by a provisional records commissioner for the Saar plebiscite, appointed by the league. The commissioner's term should not exceed one year, and his staff, if any, should be provided through agreement with the secretary general.

The report was approved.

SALARY OF REGISTRAR OF PERMANENT COURT OF INTERNATIONAL JUSTICE

The council decided, after considering a letter to the secretary general of the league from the president of the Permanent Court of International Justice, dated August 12, 1922, concerning the salary of the registrar of the court, that, in deference to the wishes expressed by the court, the salary of the present registrar, beginning at 22,000 florins per annum should rise by successive yearly increases of 1,250 florins to 27,000 florins.

TERM OF PRESIDENT OF PERMANENT HYDRAULIC SYSTEM COMMISSION OF THE DANUBE

After considering a report from the Marquis Imperiali, the council decided to invite the Permanent Hydraulic System Commission of the Danube to insert in the regulations concerning its powers and duties set out in article 293, treaty of Trianon, a clause determining the normal term of office of its chairman.

While reserving the right to reconsider the appointment of chairman of the commission when these regulations became effective, the council decided in the meantime to



extend the term of its chairman now in office, the matter to be reconsidered at the end of year if the regulations had not gone into effect by that time.

#### COMPENSATION OF TEMPORARY MIXED COMMISSION FOR REDUCTION OF ARMAMENTS

Prince Sapieha, member of Temporary Mixed Commission for Reduction of Armaments, having resigned in August, 1922, for health and family reasons, the council approved nomination of Prince Lubomirski as his successor.

#### COMPOSITION OF ECONOMIC COMMITTEE

Informed by Viscount Ishii that the Japanese Government desired that Mr. Matsuyama should replace Mr. Sakiba as a member of the economic committee, the council assented.

*Second meeting (private), Friday, September 1, 1922, 11 a. m.*

#### PLAN FOR AN INTERNATIONAL RELIEF ORGANIZATION

Senator Cirao, president of the Italian Red Cross, was invited to the council table. The Senator explained his plan for a covenant of mutual insurance between states submitted by him to the Genoa conference and referred by the conference to the League of Nations. It contemplated an international organization for relief and assistance of peoples suffering from disaster established and operated under protection and supervision of the League of Nations, financed by small annual contributions by the various states in proportion to territory, population, and budget. The organization would be directed by the International Red Cross Committee, its technical bodies to be provided by all the Red Cross societies of the world. When a national catastrophe now occurred there was an organization of sympathy but no corresponding organization of relief. Public subscriptions were made and government subsidies contributed, but technical staffs and stocks of material were not forthcoming. There was no provision for organization and distribution of relief, and this had a discouraging effect. Recent examples had shown that private charity, though supported by governments, was inadequate without proper organization. Attention had heretofore been given to the military organization of States, and the time had come for an international relief organization. It was desirable to prepare relief in advance under a definite plan. The member nations of the league had by virtue of article 25 of the league covenant undertaken to encourage and promote the establishment and cooperation of Red Cross organizations in order to mitigate suffering throughout the world. The League of Nations with its lofty aims should be the first to welcome such a plan as the speaker presented.

The Marquis Imperiali presented a report on this plan which had received the approval of the International Red Cross Committee. He suggested that as to the proposal of the plan for wider recognition of the Red Cross in time of peace the council should await the revision of the Geneva convention now in force by the International Red Cross committee, and that as to the plan itself the council should request the secretary general to present a report to the council in time to be considered by it and submitted to the fourth assembly of the league.

Lord Balfour, after discussing the subject, proposed that the report suggested by Marquis Imperiali should cover not only legal and financial, but also political and administrative, aspects. The Marquis Imperiali accepted these suggestions and his proposals as thus amended were approved by the council.

#### CONTROL AND ADMINISTRATION OF THE VISTULA WITHIN THE TERRITORY OF THE FREE CITY OF DANZIG

Mr. Askenazy, representing Poland; Doctor Sahm, representing Danzig; and General Haking, high commissioner in Danzig for the League of Nations, took seats at the council table.

Viscount Ishii made a report, recommending that the council confirm the decision of the high commissioner of the league in Danzig of September 1, 1921, concerning control and administration of the Vistula within the territory of the free city of Danzig, and that the secretary general be requested to advise the Polish and Danzig Governments of such action and to send them a copy of the speaker's report. These recommendations were adopted after discus-

sion in which Askenazy, Sahm, and Haking took part, Askenazy opposing, Sahm favoring the high commissioner's decision.

*Third meeting (public), Friday, September 1, 1922, 4 p. m.*

#### SITE FOR POLISH WAR MATERIALS IN DANZIG

The council, after hearing a report from Viscount Ishii on the decision of the league's high commissioner as to the site of a depot for Polish war material in transit through Danzig, from which both Danzig and Poland had appealed, and after hearing the discussion in which Askenazy for Poland, Sahm for Danzig, and the high commissioner participated, adopted Ishii's suggestion that the high commissioner's decision be approved.

#### REPATRIATION OF PRISONERS OF WAR

The secretary general read to the council in the absence of Doctor Nansen the latter's report on repatriation of prisoners of war. In this report Doctor Nansen stated that he was happy to be able to report to the members of the assembly and the members of the league that he had brought to a satisfactory conclusion the work he had carried out on behalf of the league for the repatriation of prisoners of war. The total number of prisoners thus brought to their homes was 427,886. The report expressed Doctor Nansen's deep indebtedness to the organizations and individuals assisting him, making "very special mention" of the assistance given by the international committee of the Red Cross, "without whose cooperation and practical help the whole work could scarcely have been carried out so rapidly and at such small cost." Then came the following statement of prisoners repatriated by countries and routes:

*Total number of prisoners of war repatriated by the high commissioner of the League of Nations with the assistance of the international committee of the Red Cross from May, 1920, to July, 1922*

#### (a) Prisoners repatriated from Russia and Siberia:

##### (1) Via Baltic and overland—

Austrians	16,961
Americans	7
Armenians	2
Belgians	9
British	20
Bulgarians	50
Czechoslovaks	27,120
Danes	14
Estonians	11
French	8
Germans	33,903
Greeks	4
Hungarians	36,097
Japanese	1
Italians	1,417
Letts	11
Lithuanians	11
Poles	7,961
Rumanians	18,140
Russians	58
Swedes	18
Swiss	1,162
Turks	113
Ukrainians	134
Yugoslavs	11,159
	<hr/> 154,388 <hr/>

##### (2) Via Black Sea:

Argentinians	8
Austrians	630
Belgians	12
British	20
Czechoslovaks	2,048
Estonians	5
French	36
Germans	1,997
Hungarians	1,475
Italians	133
Letts	61
Poles	1,746
Rumanians	901
Russians	20
Spaniards	2
Swedes	5
Swiss	65
Yugoslavs	621
	<hr/> 9,785 <hr/>

Russian refugees from Constantinople... 2,406  

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12,191

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## (b) Prisoners repatriated from Vladivostok:

Austrians.....	814
Belgians.....	3
Bulgarian.....	1
Czechoslovaks.....	1,178
Germans.....	57
Hungarians.....	2,596
Letts.....	13
Lithuanians.....	10
Poles.....	874
Rumanians.....	649
Turks.....	19
Yugoslavs.....	607
	<hr/> 6,851

## (c) Prisoners repatriated to Russia:

(1) Via Baltic and overland—	
Russian prisoners of war.....	198,486
Interned members of soviet army.....	47,712
In addition, a certain number of Estonians, Letts, Lithuanians, and Poles, of Russian prisoners from Czechoslovakia, Austria, and Hungary, and of Hungarian communists were repatriated, making the total of prisoners repatriated to Russia via Baltic and overland.....	251,703
(2) Via Vladivostok—	
Russians.....	2,753
Total:	
Via Baltic Sea and overland.....	406,091
Via Black Sea.....	12,191
Via Vladivostok.....	4,604
	<hr/> 427,886

N. B.—These figures are to be taken as provisional only, the final returns concerning distribution between various nationalities not having yet been received.

The secretary general, after reading this report, suggested that the reference to the International Red Cross committee be brought to the attention of that committee, and that the council add its own thanks to the committee.

Mr. Hanotaux agreed. He pointed out that Doctor Nansen had left himself out of account, and said that the council should take this last opportunity of stating that Doctor Nansen had distinguished himself as much in great works of charity as in science; that numberless families owed him a debt of gratitude; that in compensation for its evils, war gave rise to great virtues; that Doctor Nansen was the embodiment of courage and charity; that the work of repatriation was one of the league's greatest achievements, and Doctor Nansen had carried it out most worthily.

The council agreed to transmit the last paragraph of Doctor Nansen's report and its own thanks to Doctor Nansen, and to express to Doctor Nansen its deep gratitude for his great services.

## RUSSIAN REFUGEES

The secretary general read the report of Doctor Nansen, in the latter's absence, on the work in connection with Russian refugees, adding that Doctor Nansen would soon arrive and would develop and amplify the report before the assembly.

The report stated that Doctor Nansen had appointed a special committee at Constantinople to assist him in administering the fund of 30,000 pounds contributed by member nations of the league and the American Red Cross for the evacuation of Russian refugees from Constantinople; the committee consisting of Colonel Proctor and Mr. Burnier, delegates of the high commission (Doctor Nansen); Mr. Ringland, representing the American relief administration; and Major Davis, of the American Red Cross. Admiral Bristol, United States high commissioner at Constantinople, had approved the American appointments and had agreed to aid the committee. The organization perfected by Doctor Nansen had been instrumental in getting 10,000 Russian refugees out of Constantinople, and in getting permanent employment for about 1,000 in the vicinity. Approximately 18,000 were still to be dealt with in Constantinople, all of whom, however, were not destitute. The acute part of the problem related to the 10,000 now being fed by the American relief administration. Arrangements have been made with Bulgaria and the Russian Red Cross in Bulgaria for the evacua-

tion of about 1,000 Russian invalids and other families into Bulgaria, the Russian Red Cross to assume responsibility for them after their arrival. Steps were being taken for the repatriation of about 1,000 Siberians from Constantinople to Vladivostok. Negotiations were under way with the Jewish Colonies Association and the central Zionist committee for transfer of about 600 Jewish refugees to Palestine, where Jewish organizations were preparing employment for them. On the suggestion of the American Relief Association, the American Red Cross, and on solicitation from representatives of the Soviet Government and refugee organizations, steps for repatriation of all or a large part of Russian refugees in Europe were being considered by Doctor Nansen.

## ADVISORY OPINIONS FROM PERMANENT COURT OF INTERNATIONAL JUSTICE

The Marquis Imperiali reported that the council had received from the Permanent Court of International Justice advisory opinions on the three questions the council had addressed to the court relative to the nomination of the worker's delegate to the Netherlands for the third International Labor Conference, the competence of the international labor organization in regard to agriculture, and the competence of the international labor organization in regard to proposals for the organization and development of methods of agricultural production and similar questions. The speaker proposed that the council transmit these opinions to the director of the international labor office, the director to be asked to communicate the opinions to States which are members of the labor organization, but not of the league. He understood that state members of the league had already received copies. The proposal was adopted.

## REPAYMENT OF EXPENSES OF NORWEGIAN VILNA CONTINGENT

Mr. Irgens, representing the Norwegian Government, was invited to the council table. Mr. Hymans summarized the documents relating to expense of the Norwegian Government in raising troops for Vilna, stating that the question of repayment to a government of expense incurred in raising a special force had still to be settled. There was a precedent, he said, in the cases of Sweden and Denmark. The council had decided on May 12, 1922, that in view of the special character of expenses incurred by Sweden and Denmark, which were quite exceptional as compared with the normal expenditures of these countries, the sums in question should be repaid by a credit to the draft budget to be sent to all league members on June 4, and that Poland and Lithuania should be approached for repayment of sums for which they had been asked, and for sums now under discussion. Mr. Hymans suggested that in view of these precedents the council should renew its decision of May 12, 1922, and comply with request of the Norwegian Government.

The secretary general thought the proper procedure would be to submit the Norwegian Government's claim to the assembly as a supplement to the budget; that it should be left to the assembly to say whether sums like this should be regarded as recoverable. The secretary general's suggestion was agreed to.

## MINORITIES IN ALBANIA

Mr. Frasher, representing Albania, was asked to the council table. Mr. da Gama reviewed the question of minorities in Albania; said that the Albanian report of July 7, 1922, had been transmitted to members of the council; that it gave detailed information on the general elections of 1920 for the Legislative Parliament, on the education of minorities, and the situation of religious communities. He said that it had not yet been possible for the Albanian Government to submit to the Parliament the laws mentioned by the Albanian representative at the council meeting of May 12. He proposed that the council make note of the Albanian report of July 7, 1922, and instruct the secretary general to collect and submit to the council in due course further information concerning the legislative measures relating to legal status of religious communities, churches, convents, schools, and voluntary establishments of racial, religious, and linguistic minorities in Albania. The proposal was accepted.



## MINORITIES IN ESTONIA

Mr. Pusta, Estonian representative, was invited to the council table.

Mr. da Gama, in a report on Estonian minorities, expressed the opinion that the obligation assumed by the Estonian Government in its declaration of September 13, 1921, implied the acceptance of stipulations conforming to those in the various treaties already in force for the protection of minorities. He said that such treaties had been concluded with Poland, Rumania, Czechoslovakia, and the Serb-Croat-Slovene State; that stipulations for protection of minorities had been inserted in the treaties of peace with Austria, Bulgaria, and Hungary; that these provisions relating to minorities had been placed under the guaranty of the league; that similar stipulations had been embodied in certain other treaties which had not yet come into force; that Albania in a declaration to the council on October 2, 1921, and Lithuania by declaration of May 12, 1921, had assumed obligations for protection of minorities generally similar to those in the various treaties.

He stated that the minority protection provisions of these treaties formed the basis of the third section of the German-Polish agreement relating to upper Silesia concluded at Geneva May 15, 1922. That this section (arts. 64-158) contained detailed clauses relating to rights of minorities in both German and Polish parts of upper Silesia. He gave it as his judgment that the international obligations of Estonia as to protection of minorities should be defined in a declaration to the council of the League of Nations conforming as far as possible to these treaties. Inasmuch as representatives in council had not had full opportunity to examine his written report, and the comments of the Estonian representative thereon, he suggested that the matter go over to a later meeting of the present session. Agreed to.

## INTERNATIONAL INSTITUTE OF COMMERCE

The secretary general reported that he had received from the president of the International Parliamentary Conference on Commerce a recommendation adopted at its eighth assembly expressing the hope that the council of the League of Nations would recognize the International Institute of Commerce as its organ for commercial documentation, without, however, interfering with its autonomy. The secretary general asked authority to forward the recommendation to the economic committee of the league, which was now considering the general question of organization of international statistics. The council instructed the secretary general to take this action, with a request that the economic committee consider the matter at its current session.

*Fourth meeting (public), September 2, 1922, 11.45 a. m.*

## APPOINTMENT OF SAAR MEMBER OF SAAR BASIN GOVERNING COMMISSION

Mr. Tang Tsai-Fou reported that the appointment of Doctor Hector as the member from the Saar territory of the Saar Basin Governing Commission would expire September 20, 1922; that representatives of certain political parties in the Saar territory claiming that the parties held 26 out of the 30 seats in the advisory council had recently transmitted to the secretary general of the league, through the governing commission, a request that Doctor Hector be not reappointed, and the further request that the population of the advisory council be permitted to suggest names of candidates possessing that confidence.

Mr. Tsai-Fou stated that a petition had been received through the governing commission from the Chamber of Agriculture of the Saar territory disagreeing to this request, and asking the appointment of Doctor Hector. Further petitions, the speaker said, had been received through the governing commission from farmers or farmers' organizations both for and against Doctor Hector's reappointment. The council adopted a resolution proposed by Mr. Tsai-Fou to the effect that Doctor Hector be reappointed for one year from September 20, 1922, and that the thanks of the council be conveyed to him for the services he had rendered to the League of Nations during his period in office.

## APPOINTMENTS TO AND RESIGNATIONS FROM THE STAFF OF THE SECRETARIAT

The council received and offered a report from the secretary general of the league containing appointments, promotions, and resignations in the staff of the secretariat of the league since the last session of the council.

## FINANCIAL SITUATION OF DANZIG

General Haking, Danzig high commissioner for the League of Nations, and Doctor Volkmann, representative of Danzig, discussed before the council and Mr. Askenazy, a representative of Poland, the report of the provisional economic and financial committee of the league on the financial situation of the Free City of Danzig, referred to the Danzig Government by the council on May 18, 1922. The reply of the Danzig Government and of the high commissioner, dated August 24, 1922, as well as the observations of the commissioner and Doctor Volkmann at the present meeting, were referred to the provisional economic and financial committee of the league for consideration, with the request for a further report at the earliest convenient moment.

## NATIONAL STATUS OF INHABITANTS OF B AND C MANDATED TERRITORIES

Mr. de Leon reported on the question of the national status of inhabitants of B and C mandated territories which had been discussed at the August session of the Permanent Mandates Commission on the request of the council at its meeting of May 12, 1922.

The report of the commission proposed first, that in order to carry out the spirit of article 22 of the covenant, the native inhabitants of B and C mandated territories should be granted a national status wholly distinct from that of the nationals of the mandatory powers; second, that a special law of the mandatory powers should determine the status of these native inhabitants who might be designated as "administered persons under mandate" or "protected persons under mandate of the mandatory power"; third, that it was open to B and C mandatory powers to make arrangements in conformity with their own laws for the individual and purely voluntary acquisition of their nationality by inhabitants of these territories. The report then summarized the reasons for these proposals, setting forth in reference to the third, that it would be contrary to the spirit of the covenant and to the essence of the institution of the mandates to permit compulsory naturalization by a single act of all the inhabitants of B and C mandated territories—that the treaty of Versailles, by the terms of which the former German colonies were handed over to the principal allied and associated powers to be administered on behalf of the League of Nations by powers called mandatories, contained no clause imposing the nationality of the mandatory power on the inhabitants of those colonies; that specific authority for a step of this kind would have to be found in the treaty itself.

The council decided on motion of Mr. de Leon to postpone final decision on these proposals, meanwhile to forward them to league members, requesting the especial attention of mandatory powers, and to inform them that the proposal would be discussed at the next session.

## PETITIONS FROM INHABITANTS OF MANDATED TERRITORIES

Mr. de Leon reported on the memorandum of the British Government submitted to the council on July 22, 1922, and suggesting procedure in respect to petitions to the league by communities or sections of the populations of mandated territories. The speaker proposed that consideration be postponed to a subsequent session; that the British Government's suggestions be forwarded to the Permanent Mandates Commission with a summary of the council's procedure on petitions from minorities or from inhabitants of Saar Basin; that this commission be requested to report not later than the end of 1922; that the council would then be in a position to discuss the British Government's suggestions and to make suitable decision.

## REPORT OF HEALTH COMMITTEE

Mr. Hanotaux reported on the work of the health committee at its fourth session, which had been held at Geneva,



August 14-21, 1922. He stated that the results of this work were given in a report which had been held at Geneva, August 14-21, 1922. He stated that the results of the work were given in a report which had been submitted to the council. This report may be analyzed as follows:

ANALYSIS OF REPORT OF HEALTH COMMITTEE OF THE LEAGUE OF NATIONS TO COUNCIL ON SEPTEMBER 2, 1922, ON THE WORK OF THE FOURTH SESSION (AUGUST 14-21, 1922)

This report just takes up the health committee's negotiations with the International Health Board of the Rockefeller Foundation. It stated that the council at its nineteenth session had considered the correspondence between the International Health Board of the Rockefeller Foundation and the secretariat of the league; that the council had expressed its gratitude to the Rockefeller Foundation for its generous assistance in the construction work undertaken by the health organization of the league, and had invited the health committee to consider the details and the administration of the funds placed at its disposal for the purposes proposed by the Rockefeller Foundation. The report stated further that after thorough discussion the health committee had adopted the text of two letters, including a draft agreement to be addressed to the secretary general of the League of Nations to the International Health Board of the Rockefeller Foundation. Appendix 1 of the report sets out the first of these proposed letters. This letter begins by referring to Mr. Wicliffe Rose's letter to Doctor Rajchman of June 14, 1922, in which he stated that the executive committee of the International Health Board of the Rockefeller Foundation at its meeting of June 12, 1922, had authorized the officers of the board to enter into an arrangement with the health organization of the League of Nations for the maintenance of an international interchange of public-health personnel on an international scale for a period of three years, beginning October 1, 1922, and for this purpose to commit the board for a sum not to exceed \$60,000 for any one year.

The letter then stated that Mr. Wicliffe Rose also suggested the formulation of an agreement which might be adopted to this end by the League of Nations and the Rockefeller Foundation. The letter then avers that the signer thereof, the secretary general of the league, proposed in response to this generous offer of the Rockefeller Foundation and with the approval of the council of the League of Nations that the suggested agreement should be embodied in the following articles:

1. This agreement is made between the League of Nations acting through the secretary general on the one hand, and the Rockefeller Foundation acting through the executive committee of the International Health Board on the other hand for the maintenance of an international interchange of public-health personnel on an international scale.

2. The health organization of the League of Nations to establish and maintain an international exchange of public-health personnel as a separate branch of its work, to begin operations not later than October 1, 1922, continuing thereafter for not less than three years unless by mutual agreement between the league and the foundation some other arrangement is made.

3. The work of the interchange of public-health personnel to be conducted along the following general lines:

(1) To bring public-health administration in different countries into closer relationship with each other.

(2) To make comparative examination of the organization and of legislation regarding public health in different countries.

(3) To endeavor to obtain the cooperation of the public-health administrations for the purpose of agreeing on a uniform standard of public health and uniform regulations.

To bring about these objects it will be necessary—

A. To organize meetings of public-health officials from various countries and make it possible for these officials to remain for a certain time attached to the health services of other countries so that—

(a) They may have opportunities of exchanging views on health problems.

(b) They may have opportunities of acquainting themselves with the public-health organizations of those countries, with their methods of applying regulations, and with the duties of health officials.

(c) To make grants toward the expense of sending from time to time a small number of health officials to study on the spot the public-health organizations in other countries, the methods of applying regulations and the duties of health officials.

(4) Annual reports of the administration of the interchange of public-health personnel to be made to the Council and Assembly of the League of Nations and copies thereof to be forwarded regularly to the International Health Board of the Rockefeller Foundation. Representatives of foundation to be kept closely and regularly informed of the activities of the interchange of public-health personnel.

(5) The Rockefeller Foundation to pay an annual subvention to meet the expense of the interchange of public-health personnel, not to exceed \$60,000 a year for each of three years, 1922-23, 1923-24, and 1924-25.

(6) The foundation to pay the annual subvention in quarterly installments beginning October 1, 1922, directly to the financial director of the secretariat of the League of Nations.

(7) The financial director of the secretariat of the League of Nations to administer the subventions as a separate fund for the maintenance of the interchange of public-health personnel, to be known as the interchange of public-health personnel fund, and to make disbursements therefrom at the direction of the secretary general of the League of Nations after a budget has been approved by the health organization of the league.

(8) The special accounts of the financial director for the interchange of public-health personnel fund to be audited as directed by the council of the League of Nations.

(9) Annual statements of account of the interchange of public-health personnel fund to be rendered to the council and assembly of the League of Nations, and copies thereof to be forwarded regularly to the International Health Board of the Rockefeller Foundation.

(10) These articles of agreement may be modified by mutual consent of the council of the League of Nations and the Rockefeller Foundation.

(11) These articles have been approved by the council of the League of Nations and will become effective on approval by the International Health Board of the Rockefeller Foundation.

The letter then states that the foregoing articles of agreement, having been approved by the council of the League of Nations, now await the approval of said board.

Appendix 2 of the report sets out the second suggested draft letter to the Rockefeller Foundation. This letter begins by referring to a letter from Mr. Wicliffe Rose to Doctor Rajchman of June 14, 1922, in which Mr. Rose stated that the executive committee of the International Health Board of the Rockefeller Foundation at its meeting on June 12, 1922, had authorized the officers of the board to enter into an arrangement with the health organization of the League of Nations for the maintenance of a special international service of epidemiological intelligence and public-health statistics on an international scale for a period of five years beginning January 1, 1923, and for the purpose to commit the board for a sum not to exceed \$32,840 for any one year. This second letter then stated that Mr. Wicliffe Rose also suggested the formulation of an agreement which might be adopted to this end by the League of Nations and the Rockefeller Foundation. It is next stated in this letter that the signer thereof, the secretary general of the league, proposed in response to the generous offer of the Rockefeller Foundation and with the approval of the council of the League of Nations that the suggested agreement should be embodied in the following articles:

1. The agreement is made between the League of Nations acting through its secretary general, on the one hand, and the Rockefeller Foundation acting through the executive committee of the International Health Board, on the other



hand, for the maintenance of a special international service of epidemiological intelligence and public-health statistics on an international scale.

2. The health organization of the League of Nations to establish and maintain a special international service of epidemiological intelligence and public-health statistics as a separate branch of its work, to begin operation June 1, 1923, continuing thereafter not less than five years unless by mutual agreement between the parties some other arrangement should be made.

3. The work of the special international service of epidemiological intelligence and public-health statistics to be conducted along the following general lines:

(1) The service to undertake to obtain, study, and distribute information regarding disease in different countries, including medical statistics, with the object of adding to the knowledge on which public-health measures, national and international, are based. To bring about these ends the service will—

(a) Study the simplest and most reliable methods of obtaining information regarding the incidence of disease and the progress of epidemics.

(b) Make a comparative study of public-health statistics of different countries.

(c) Study world distribution of particular diseases.

(d) Make a comparative study of the incidence of particular diseases in different countries and their public-health statistics with a view to determining the nature and practical significance of observed difference between them.

(e) Study the periodicity of epidemics and the factors which cause or influence such periodicity.

(f) Organize, with the concurrence of the public-health administrations of the countries affected, missions of inquiry regarding the development of epidemics, or for the other purposes heretofore indicated.

(g) Publish and distribute special reports and periodical bulletins.

(h) Review the public health of the principal countries of the world with a view to the issue, circumstances permitting, of reports on the subject as a whole.

(i) Organize a rapid interchange of information regarding particular diseases where immediate action seems necessary.

(j) Employ at headquarters or elsewhere experts provided with requisite assistance and technical equipment.

The remainder of the articles and of the letter are of similar import as the corresponding portions of the first letter.

The report states further that after adopting these letters the health committee empowered the medical director to prepare for the Rockefeller Foundation a budget of the expenditure involved in the first scheme of interchange of public-health personnel for 1922.

The health committee's report then takes up further the interchange of public-health personnel. It states that at its third session, held in May, 1922, the health committee had instructed the medical director to take the necessary steps to effect an interchange of sanitary staff between different countries, at least as a provisional and experimental measure, esteeming it of the greatest utility for sanitary officers to become acquainted with practical solutions of public-health problems as well as with the organization of public-health services in various countries. Accordingly, steps had been taken for a first experiment which would be tried at Brussels in October, 1922. Some 23 medical officers of public health would be commissioned by the public-health administrations of different countries—Belgium, Bulgaria, Czechoslovakia, Italy, Poland, Russia, Serb-Croat-Slovene State—to proceed to Brussels. The director of Belgian public-health services would give a series of lectures describing in detail the working of the public-health services of the country and would explain the principles of Belgian sanitary legislation, and so forth. The medical officers would then make, for a period of two months, a similar study in various countries selected by their national health administrations, principally in Italy, Poland, and the Netherlands. The health committee had at this third session

recommended, first, that the medical director proceed with the study and application of the scheme he had submitted for a collective system of interchange of public-health personnel during the present year; second, that he at once undertake negotiations for future experiments and submit further proposals at the next meeting; third, that he submit at the same time proposals for the most suitable means of interchange of public-health personnel on an individual basis and in respect of countries in any part of the world; fourth, that the plan for collective interchange of public-health officials should, so far as theoretical instruction was concerned, provide for instruction limited to a study of health legislation and health administration, and should be based on a period of practical instruction in the health service of the country concerning which the instruction was given, it being understood that the instruction was intended above all as a preparation for the practical work; fifth, that the committee congratulated itself on the temporary cooperation of the Rockefeller Foundation in the organization of an interchange of public-health personnel and considered it indispensable to the completion and permanence of such an organization that the credit provided in the league budget for this purpose be retained.

The health committee's report then took up the report of the epidemic commission of the League of Nations, stating that the commission had been amalgamated with the health organization of the league in accordance with the resolution of the second assembly, and had been placed under the direction of the health organization and of the medical director in accordance with the council's resolution of January 14, 1922. Accordingly, the present report of that commission had been presented to the health committee for consideration. The health committee's report then proceeded to comment on the report of the epidemic commission, saying that it was doing a work of great value. It had aided in the establishment and maintenance of disinfecting, cleansing, and observation stations on the main routes by which infection was constantly being brought from Russia westward into the border states, especially Poland, in making improvements in hospitals for infectious diseases in internment camps and establishments for repatriates and refugees, and had helped in other ways in resisting disease.

I have concluded my summary of what happened in connection with the league from the time I left off 10 years ago to the meeting of the assembly of the league in September, 1922.

I now take up the third assembly of the League of Nations, which met at Geneva September 4, 1922. The session began on Monday.

THIRD ASSEMBLY OF THE LEAGUE OF NATIONS, GENEVA, SEPTEMBER 4, 1922

*First meeting Monday, September 4, 1922, 11 a. m.*

ADDRESS OF ACTING PRESIDENT

The first meeting of the third assembly of the League of Nations was declared to be open on September 4, 1922, 11 a. m., at Geneva, by Mr. da Gama, Brazil, acting president of the council of the league. He said that his regret at being absent from Brazil on the first centenary of its independence was mitigated by the fact that he was taking part in an international enterprise of high importance, that the League of Nations had now become so integral a part of the political system of the world that it was already indispensable, that the annual reports of the activities of the council were the best retort to the critics and enemies of the league, that the assembly must have for its object the continuance of the work which had begun in a spirit of international cooperation, that there was no danger that the league would become a superstate, that the sovereignty of states remained unimpaired, that difficulties were inevitable but with perseverance and faith would be overcome.

APPOINTMENT OF CREDENTIALS COMMITTEE

Jonkheer Loudon, Netherlands, proposed the following committee on verification of credentials: Mr. Albert Mensdorff-Pouilly-Dietrichstein, Austria; Mr. Tang Tsai-Fou, China; Mr. de Agüero Y. Bethancourt, Cuba; the Maharajah Jam Sahib de Nawanagar, India; Doctor Velasquez, Para-



guay; Mr. Leon Plucinski, Poland; Mr. Yovanovitch, Serbia; Mr. Fernandez y Medina, Uruguay. This proposal was adopted, and the acting president, suggesting that the committee should sit immediately, adjourned the meeting of the assembly.

*Second meeting Monday, September 4, 1922, 4 p. m.*

#### REPORT OF COMMITTEE ON CREDENTIALS

At the opening of the second meeting Mr. de Bethancourt, chairman and rapporteur of the committee, submitted the report on credentials. The credentials of delegates of the following states were found in order: Albania, Australia, Austria, Belgium, Brazil, British Empire, Bulgaria, Canada, Chile, China, Colombia, Costa Rica, Cuba, Czechoslovakia, Estonia, Finland, France, Greece, Guatemala, Haiti, India, Italy, Japan, Latvia, Liberia, Lithuania, Netherlands, New Zealand, Norway, Panama, Paraguay, Persia, Poland, Portugal, Rumania, Serb-Croat-Slovene State, Siam, South Africa, Spain, Sweden, Switzerland, Uruguay, Venezuela.

#### ELECTION OF PRESIDENT—HIS ADDRESS

Mr. Augustine Edwards (Chile) was elected president of the third assembly. He thanked the assembly for what he called a tribute to Latin America, and to his native country, Chile, saying that the Latin American nations, on the eve of their periodical conference at Santiago, would be happy to receive from the assembly proof that they were regarded as essential to the great cause for the maintenance of peace and international justice. He said he was sensible of the responsibility he was assuming, of the prestige conferred on the presidency by his predecessors, Mr. Hymans and Mr. Karnebeek, whose examples he would try to follow; that to the first assembly had fallen the task of creating and beginning the work of the League of Nations; that the second assembly had instituted the Permanent Court of International Justice; that it would be for the third assembly to strengthen and coordinate the organization necessary to assure a general cooperation of the nations.

#### COMMITTEES

On the president's proposal the assembly decided, as in previous years, in accordance with traditional procedure, to appoint six general committees and a small committee to examine questions proposed for the agenda during the meetings of the assembly, the small committee to be composed of Mr. Hymans, of Belgium; Mr. Blanco, of Uruguay; Lord Robert Cecil, of South Africa; Mr. Erich, of Finland; Mr. Dissesco, of Rumania.

*Third meeting, Tuesday, September 5, 1922, 12 m.*

#### POSTPONEMENT OF ELECTION OF VICE PRESIDENTS

On the president's proposal, it was decided to defer the election of vice presidents until Wednesday morning, September 6, at 10 o'clock.

#### REPORT OF COUNCIL

The president proposed that the report of the council on its work and its measures taken to execute the decisions of the assembly be taken up and discussed in detail. The Count de Gimeno (Spain) asked if a question of procedure could be taken up before electing the six vice presidents and thus constituting the general committee. The president replied that though article 8 of the rules of procedure prescribed that the president should be assisted by the officers of the assembly in his conduct of the proceedings, this did not prevent the assembly from deciding as to the order in which it would deal with questions on the agenda. Mr. Hymans, Belgium, asserted that article 8 did not imply that the president could do nothing without consulting the general committee. By a vote of 18 to 16 the assembly decided to continue the discussion on the procedure to be adopted in dealing with the report of the work of the council.

Lord Robert Cecil (South Africa) said that while the president's suggestion was valuable there were objections, that on previous occasions the assembly had felt so strongly the difficulty of detailed discussions at the outset that it had decided to discuss in detail no specific item or proposal until it had been referred to a committee and until that committee had made recommendations; that this procedure had worked well. He said that without previous examination the

debate on any question would, in his opinion, lose interest; that the president's proposal might lead the assembly to review in detail the action of the council, which would be contrary to the spirit of the covenant; that the debate on the report of the work of the council would be unduly prolonged. He proposed that no change in procedure should be made at the assembly then in session; that the president's suggestion be referred to the general committee of the assembly when appointed, and that general discussion of the council's report and the course and attitude of the league be had as theretofore.

The president stated that on reflection he agreed with Lord Cecil, whereupon Lord Cecil's proposal to refer the president's suggestion to the general committee was adopted.

*Fourth meeting, Tuesday, September 5, 1922, 4 p. m.*

#### GENERAL DISCUSSION OF REPORT ON WORK OF COUNCIL

Mr. Midhat Frasheri (Albania) conveyed to the assembly on behalf of his Government the gratitude of the Albanian people, stating that the anarchy which had prevailed in Albania in consequence of foreign interference had been supplanted by tranquillity; that despite all kinds of difficulties the country was moving toward order and progress; that this result was due in large measure to the activities of the League of Nations and of the commissions which had been sent to Albania. He said that the neighbor States which had opposed the admission of Albania into the League of Nations had been happy to collaborate with her in the common work of civilization; that it was to be hoped that difficulties still outstanding in the southern part of the country would be settled satisfactorily to both parties; that the Greek Government would not fail to appreciate the advantages, both for the peace of the Balkans and the world, of the existence of a free and independent Albania.

#### PROTECTION OF MINORITIES

Prof. Gilbert Murray (South Africa) extended his congratulations to the council of the league on the general success of its procedure for dealing with questions relating to protection of minorities, adding that it could not have worked so well without the cooperation of the governments concerned. He said that the action contemplated by the league was as much in the interests of the governments as of the minorities themselves; that there has been a new distribution of Europe; and that the new situation would be seriously threatened if permanently disaffected elements remained in any of the new states. He stated that the method followed by the council was one of discreet and informal conversations with the governments; that instead of making an international issue of every grievance, some one was sent to talk with the officials concerned; that thus very considerable grievances had been removed. The method was not completely successful, he continued, because he had himself received complaints from representatives of minorities who had said they were afraid to appeal to the league. He stated that security did not exist as long as there were such apprehensions; that it was the business of the league to restore security in Macedonia and to insure that the Jews might everywhere live like ordinary citizens.

He proposed this resolution:

That the questions dealt with in chapter 9, sections A, B, C, and D, of the general report to the assembly on the work of the council, be referred to a committee of the assembly, with the request to report thereon to the assembly, in order that the latter may have an opportunity of expressing its considered view on these questions.

He disclaimed any desire in submitting the resolution to direct the assembly's attention to any particular action of the council but only to bring about discussion on the general principles.

The president stated that the resolution would be printed and circulated in accordance with article 17, Rules of Procedure.

#### RISE IN SOUTHWEST AFRICA

Sir Edgar Walton (South Africa) presented a report on the administration of Southwest Africa, relating to the recent native rising in the mandated territory. He said that the



Government of South Africa had appointed a commission of inquiry into charges against officers and men engaged in suppressing the outbreak; that he hoped judgment would be suspended until the report had been seen.

The president stated that the report would be deposited in the library of the league, where it could be consulted by all delegates.

*Fifth meeting, Wednesday, September 6, 1922, 10.30 a. m.*

Election of vice presidents was taken up and the following chosen: Lord Balfour, Great Britain; Mr. Hanotaux, France; Mr. Gomes, Portugal; Mr. Branting, Sweden; Count de Gimeno, Spain; Mr. Nintchitch, Serb-Croat-Slovene State.

#### DISCUSSION OF COUNCIL'S REPORT—BULGARIA AND QUESTION OF MINORITIES

Mr. Radeff (Bulgaria) expressed a desire to pay tribute to the work of the council and the secretariat. He called attention to the difficulties, about the end of the preceding spring, between Bulgaria and the adjacent states—Rumania, Serb-Croat-Slovene State, and Greece—saying that the council's intervention at Bulgaria's invitation had immediately alleviated these difficulties and smoothed the way to a direct understanding between Bulgaria and her neighbors. He said that the question of minorities was one with which the council had had to deal, a question which closely concerned the work of consolidating the peace of Europe. He said that Bulgaria supported Prof. Gilbert Murray's proposal of the day before; that Bulgaria also had her national susceptibilities, but that he hardly believed that such susceptibilities could be wounded by the organization of a supervision over the application of clauses which Bulgaria had applied in principle and the consequences of which she had accepted. Bulgaria, he added, assented in advance to any procedure appearing to be necessary to assure the rights of minorities as defined in the treaties, and approved any steps which might be taken for the maintenance of peace.

#### WORK OF COUNCIL—ALAND ISLANDS

Lord Robert Cecil reviewed the work of the council of the league during the past year. The conclusion of the convention for the neutralization of the Aland Islands had settled a question of great difficulty and complexity, an achievement entitling the league to universal gratitude.

#### SILESIAN QUESTION

He said that a convention regulating the details of the settlement of Upper Silesia had been negotiated between Poland and Germany under the auspices of the League of Nations, the negotiations having been presided over by Mr. Calonder, nominated by the league, and all disputed points having been settled by agreement between the parties. He pronounced this a conspicuous success for the league.

#### ALBANIAN QUESTION

He said further, that the success attending the league in settling the Albanian question had been due in no small degree to the far-sighted self-control of the Serb-Croat-Slovene State. The settlement of this question, he added, was a great achievement which, so Lord Balfour had publicly stated, could not have been accomplished by any statesman, organization, or machinery in the world but the League of Nations.

#### SAAR BASIN AND DANZIG

He said that he would like to ask the council whether it would not be well for the advisory council, assisting the Saar Basin Governing Commission, to collaborate in nominating the Saar Basin member of that commission, and whether it would not be advisable for the council to create a small, administrative subcommittee to handle the numerous details connected with the administration of the Saar Basin and the Free City of Danzig.

#### EUROPEAN HEALTH CONFERENCE AT WARSAW

He stated that representatives of Germany and Russia along with representatives of the league had attended the European health conference at Warsaw, and expressed the hope that this was an augury of the time when the league would be representative of all the nations of the world.

#### HUMANITARIAN EFFORTS

He alluded to what he termed the important work of the league in suppressing the opium traffic, the traffic in women and children, the relief of Russian refugees, the repatriation of Russian prisoners of war, and stated that Doctor Nansen's work in repatriating 450,000 prisoners of war was a great achievement.

#### WAR BETWEEN GREECE AND TURKEY

Referring to the war between Greece and Turkey, he said that the assembly or council under articles 3, 4, and 11 of the covenant was empowered to deal with any matter affecting the peace of the world; that it was the friendly right of every member of the league to bring to the attention of the assembly any circumstances affecting international relations which threatened to disturb international peace; that the present activities of the league did not extend so far as to cover these obligations; that no appeal had been made and no opportunity given to the league to intervene in the war between Greece and Turkey.

#### RUSSIA

Taking up the question of Russia, he stated that no material progress had been made in dealing therewith; that the league, if it had intervened more decisively the year before, might have lessened the horrors of famine and opened the door for renewal of commercial intercourse between the Russian people and the rest of the world; that at present there was seemingly little the league could do, but he was glad to hear that the council had begun an inquiry into the present situation in Russia.

#### AUSTRIAN QUESTION AND EUROPEAN FINANCIAL SITUATION

Turning to the question of Austria, he said that this was under consideration by the council and he would abstain from comment; that this question, however, was only part of the great economic crisis threatening Europe; that it was believed by some authorities that Germany would shortly be in the same position as Austria. He said that the Austrian question turned upon the problem of reparations and inter-governmental indebtedness; that he would ask how long these questions would poison the international atmosphere; that all nations were affected and he would ask the assembly to consider carefully whether the league should not take some useful action in that regard before adjournment; that if the assembly did not do so there would be universal disappointment.

#### REDUCTION OF ARMAMENTS

As to armament reduction, he said that important proposals from the temporary Mixed Commission for Reduction of Armaments would come before the council that afternoon; that the proposals would aid in mapping out lines of advance in bringing about armament reduction; that it had to be admitted that the attitude of the international mind was not yet favorable to reduction, an attitude depending largely on the present economic situation.

He added that the league could not forever be barred from considering these great international questions, that it could not continue to exist merely to settle matters of secondary importance, that it must sooner or later take over the full responsibilities laid upon it by the covenant.

#### PROTECTION OF MINORITIES

Doctor Walters, Latvia, presented the following amendment to the motion of Prof. Gilbert Murray on the day before:

That the questions dealt with in chapter 9, sections A, B, C, and D, of the general report to the assembly on the work of the council, on the general questions arising out of the protection of minorities by all the members of the League of Nations be referred to a committee of the assembly with the request to report thereon to the assembly in order that the latter may have an opportunity of expressing its considered view on these questions and of laying down the main lines for the general protection of minorities in all States members of the League of Nations.

#### THE LIQUOR TRAFFIC

Sir Arthur Steel-Maitland, New Zealand, stated that the Bureau for Control of the Liquor Traffic should be transferred to Geneva so that its activities might be coordinated



with those of other organs of the league, that the bureau should remain in Brussels for the current year, but that a date for its subsequent removal should be fixed by the assembly or the council.

#### REVIVAL OF SLAVERY IN AFRICA

Sir Arthur Steel-Maitland then said that there was reason to believe that there had been a recent revival of slavery in Africa, due to the continued existence of the traffic in arms and ammunition, that slavery existed at that moment in Abyssinia, the ruler being unable to suppress it on account of difficulties for which he was not responsible. He offered the following resolution:

The assembly resolves to refer to the appropriate committee the question of the recrudescence of slavery in Africa in order that it may consider and propose the best methods for combating that evil.

#### EASTERN CARELIA

Mr. Holsti, Finland, said that Eastern Carelia was still deprived of the autonomy which should have been granted it under the treaty between Finland and the Russian Soviet Republic at Dorpat on October 18, 1920, that steps taken as a result of the council's decision in January to settle the Eastern Carelian question had so far failed, that the Soviet Government had refused to enter into direct negotiations with Finland, rejecting the proposed reference of the matter to the council for impartial consideration, and that Finland had been unable to obtain satisfaction either through organs of the league or by arbitration. The Government of Finland hoped, he continued, that the council would keep up its endeavors in line with the principles of the covenant, and intended to ask through the council the advisory opinion of the Permanent Court of International Justice on the juridical aspects of the question.

*Sixth meeting, Thursday, September 7, 1922, 11 p. m.*

#### TRIBUTE TO BRAZIL

The president proposed a message from the assembly to Brazil, which was celebrating the centenary of its independence, stating that the separation of Brazil from its mother country had been accomplished in a peaceful and friendly manner, that Brazil had been one of the founders of the League of Nations, and had incorporated into its constitution the system of arbitration.

Mr. da Gama, Brazil, expressed the gratitude of the Brazilian delegation, saying that Brazil would continue to make efforts to further the success of the league.

The president's proposal was adopted unanimously.

#### CONTINUED DISCUSSION OF REPORT ON WORK OF COUNCIL—UPPER SILESIA

Viscount Ishii, Japan, said that the record of three years proved the steady and healthful development of the league and the weakness of the criticisms against it; that the settlement of the Silesian question was a tribute to the league's efficiency; that the great powers had admitted their impotence to settle it; that the league freed it from internal politics and found a just and equitable solution.

#### DISARMAMENT

Viscount Ishii said further that despite what had been accomplished by the Washington conference, the question of disarmament presented such important and difficult problems that the league would be compelled to examine them constantly with utmost care, that in this work the league would have the sincere and active support of Japan.

#### COMPETENCE OF COUNCIL AND ASSEMBLY

Mr. Motta, Switzerland, said that the council and the assembly were two coordinated bodies possessing equal competence, that the discussion on the report of the council to the assembly was no more than a general exchange of views on the work of the League of Nations, that a warm tribute was due the council for what it had done, but that entrance into questions of detail was impossible and dangerous.

#### FUTURE OF LEAGUE

Mr. Motta said further that since the second assembly international affairs had become more serious and that it might be asked whether the League of Nations was realizing

the hopes of the peoples. There were two viewpoints, he said; first, the thought by some that the league merely supplied a method of international work and cooperation and should be confined to the creation of a technical nucleus for international conferences; second, the idea that the league should become a great organization giving expression to the views of all nations. He contended that under the second viewpoint the league could not remain inactive before the political, financial, and economic disasters threatening civilization, and said that the whole Swiss Nation approved the declarations of Lord Robert Cecil that the league must be all or nothing.

#### THE COVENANT AND THE TREATIES OF PEACE

Mr. Motta then averred that a distinction should be drawn between the treaties of peace and the League of Nations; that certain problems, such as reparations and the interallied indebtedness, must be settled outside the league, although it had been realized during the last three years that all the great international questions were interdependent; that all countries, for instance, were interested in the fall of the mark, and that the council should keep in mind certain aspects of this problem.

#### THE AUSTRIAN QUESTION

Referring to Austria, Mr. Motta said that it presented a very serious question; that thanks were due the council for having immediately taken up the question; that Europe was to be congratulated that there was a League of Nations to deal with it; that Austria might be assured that its territorial integrity and political independence would be safeguarded; that the league's solution would give to Austria the confidence and vitality essential to a State.

#### EUROPEAN CONDITIONS

Doctor Nansen, Norway, took the floor, saying that the council's report showed the league's increasing strength; that the economic condition of Europe was growing worse; that there was no salvation without the league; that Norway was especially affected by the economic crisis, and looked to the league as the only means for the alleviation of Norway's economic distress.

#### THE RUSSIAN FAMINE

Referring to the Russian famine, Doctor Nansen said that efforts of the previous year to induce the state's members of the league to take joint action had not been successful; that the Brussels conference, to which the matter was referred, had done nothing; that he believed it an error to refer questions requiring intergovernmental action on a large scale from the league with its permanent organization and machinery to temporary conferences with neither power nor will to enforce their decisions; that failure in this case had brought death to millions, the lowest figure being 2,000,000, and this, he believed, was an underestimate; that in the richest granary in Europe salted human flesh had been sold in the market places; that the survivors were much enfeebled, the famine having only been checked, not arrested. He added that the harvest was good, but insufficient for the needs of the people; that help now needed was in reconstruction, not charity; that accordingly the Norwegian Government had proposed that a commission of inquiry report on the economic condition of Russia and its effect on Europe; that the council had begun an inquiry, and he hoped it would create the commission; that it was essential to European prosperity that means should be found to put Russian agriculture on its feet again.

#### EPIDEMICS

Taking up the subject of epidemics, Doctor Nansen said that the Warsaw health conference had proved the imminent danger to Europe of epidemic diseases raging at the time he was speaking in Russia, and had made recommendations, asking what had been done to raise the money necessary to carry out these recommendations; that if nothing were done, the situation would be worse the next year; that the epidemic commission had done invaluable work with its limited funds; and that greater support for it was of urgent importance.



## MANDATES

Alluding to mandates, Doctor Nansen stated that in approving them the council had taken a great step forward; that the accounts given of the session of the Mandates Commission had caused the warmest satisfaction; that the council and the Mandates Commission could count on the support of all members of the league. He moved the following resolution:

The assembly, having taken cognizance of the documents of the council and of the Permanent Mandates Commission concerning mandates, expresses its general satisfaction with the great progress realized since the last assembly, and resolves to refer the mandates question to the appropriate commission for closer examination.

## MINORITIES

On the subject of "minorities," Doctor Nansen said this was one of the most important problems facing the league, that 80,000,000 people in Europe had changed their nationality as a result of the peace treaties; that the league should secure the legal rights conferred on minorities by the treaties; that it was extremely important that Latvia and Estonia sign as soon as possible declarations corresponding to the treaties, as they had agreed to do on their admission to the league a year before; that he hoped negotiations between the council and these countries would soon be satisfactorily concluded.

## DISARMAMENT

On the topic of "disarmament," Doctor Nansen stated that the temporary Mixed Commission for the Reduction of Armaments and the Permanent Armaments Commission were the most important bodies of the league; that it was most unfortunate, therefore, that the composition of the temporary mixed commission had not been completed until July 3 of the current year; that it must be encouraged in every way; and that it was urgently desirable that it should formulate a definite and concrete plan for the reduction of armaments. He stated that Lord Esher had presented a plan of disarmament; that the plan's difficulties were great, but could be mastered; that the task, however, of the temporary mixed commission had not been lightened by the council of the league. One member of the council, he said, had stated that it was not the duty of the commission to propose a scale of coefficients for the limitation of land armaments, another member agreeing, but holding that the freedom of the commission should not be restricted. Still another member, he continued, had said that in studying a scale of coefficients the commission was exceeding its powers and encroaching on the practical side of the question, a matter reserved for the council and the governments. Doctor Nansen contended that such opinions were dangerous; that while final decision lay with the council and the governments, they could take no decision without a definite scheme on which to work. He added that the temporary mixed commission contained experts of every kind, was admirably equipped to devise a practical scheme as the basis of a final decision; that he hoped the commission would prepare a plan acceptable to the governments which could be presented to the next assembly.

## AUSTRIA

Count Mensdorff, Austria, expressed gratitude on behalf of Austria for the statements of Mr. Motta and Doctor Nansen relating to that country, for the assurances of the former that Switzerland desired to assist Austria, and for the sympathy extended by Norway, an evidence that not merely the immediate neighbors of Austria but all nations were interested in helping one of the community of nations. He said that the council was handling the Austrian question, and that a prompt decision could be expected; that this question gave the league an opportunity to strengthen the high moral authority it had always possessed by showing that it could bring about practical results.

*Seventh meeting, Friday, September 8, 1922, 10 a. m.*

(Continued discussion of council's report—comments of Earl (Lord) of Balfour)

## ALBANIA AND BULGARIA

The Earl of Balfour said that at the outset of his remarks he wished to thank the delegates from Albania and Bulgaria

who had expressed their sense of the services rendered their countries by the council.

## VISCOUNT ISHII AND THE WASHINGTON CONFERENCE

The Earl spoke of Viscount Ishii's reference to the Washington conference, and said that while it had been held in a country unhappily not yet a member of the league, it had been animated by the same spirit which was guiding the league.

## MOTTA AND AUSTRIA

The Earl then stated that Mr. Motta's reference to Austria showed Switzerland's strong desire to succor her neighbor.

## CRITICISMS OF CECIL AND NANSEN

The Earl of Balfour next asserted that the criticisms by Lord Cecil and Doctor Nansen were prompted by a most sympathetic consideration for the work of the council, that freedom of speech was an essential principle of the league.

## SAAR BASIN

Balfour then said that the responsibilities of the council in connection with the Saar Basin were heavy, owing to vehement propaganda carried on to insure that the plebiscite in 1935 would favor Germany; that machinery existed by which every grievance of the Saar inhabitants could be considered by the council; that the league's duty in the Saar Valley was to insure just government in the interest of the people; that propagandists were more desirous that the government of the Saar Valley should be discredited than that the valley should be well governed.

## RUSSIAN FAMINE

The speaker next stated that the British Government had given for relief of the Russian famine stores of the value of £250,000 and that the response of private charity in Great Britain to the prime minister's appeal had been larger than in any other country.

## EPIDEMICS IN RUSSIA

As to Russian epidemics, the speaker remarked that the nations of the world had been backward in dealing with this menace; that the council had on several occasions appealed for funds and the response was admirable but inadequate; that the necessity was still great; that the British Government was prepared to give £100,000 if all the other nations of the world would give £200,000; that it was very important that a considerable sum be raised at once to deal with a danger affecting not only Russia but all central Europe.

## THE NEAR EAST—THE LEAGUE'S POSITION

Answering Lord Cecil's criticism of the league for non-intervention in the Near East, Balfour said that the league was not in this case assisted by treaties; that it had not to deal with two members committed by pledges to certain obligations; that it had no money, ships, or men; that it had only moral influence, which in this case—the war between Greece and Turkey—might be regarded as a forlorn hope. He added that the league's machinery had not been constructed to deal with the postwar calamities at the time afflicting the world; that the league was not well equipped financially for doing many things effectively; that certain critics called the league the fantastic product of idle dreamers, while others regarded it as almost a substitute for national organizations; that it was neither, and would reach its predestined ideal by slow stages and by careful remodeling of its machinery.

## THE WORLD CRISIS AND THE LEAGUE OF NATIONS

Mr. Scialoja, Italy, said that the world was facing a period of crisis; that the war had been followed by a kind of disintegration, both as to international relations and within the states themselves; that the league might, nevertheless, claim with pride that the most difficult questions of the day had been submitted to it. The league's founders, he asserted, had not claimed that the league would be perfect from the outset, the absence of strict sanctions being due to the fact that it was necessary to allow the nations as a whole to arrive gradually at an understanding of the new system of international relations. He asserted that, despite inevitable weakness, the league was the greatest force for cohesion between the people of the world in existence; that the council



and the secretariat were to be congratulated on their work; that great progress, for instance, had been made with the question of disarmament. He stated that a just appreciation of the league's activities was made difficult by the fact that its action was preventive, not conspicuous and generally known; that the league must gradually develop the spirit of initiative, emerging from a passive state into that of concrete and direct performance.

## AUSTRIA

As to Austria, Mr. Scialoja said it would be a great achievement if a resolution of the council and the assembly, after drawing attention to the importance to Europe of Austrian reconstruction, would lead to a removal of the difficulties which had caused certain states to hesitate in assisting Austria. He added that the council could do still more; that it might assure Austria and her neighbors that her international existence would be preserved, and that by coming to the aid of the Vienna Government the council might reestablish the confidence essential to the credit of Austria. He said further that the council might persuade the states succeeding the former Austrian Empire to apply the generous principles defined by Porto Rosa conference, and to examine again the proposals of Italy. No member was more anxious than Italy, he said, for effective action by the council in this difficult situation, the effective handling of which would enable the league finally to assert its strength and vitality.

## THE WORK OF THE LEAGUE

Mr. Bellegarde, Haiti, stated that the council's report showed that on two occasions at least the league had saved the peace of the world; that numerous problems of humanitarian, social, and intellectual character had been solved, a work which might be regarded as a preparation for peace by international cooperation. He said that notwithstanding all this, indifference and skepticism were gaining ground because the high hopes of nations had been disappointed; that at that moment while they were talking of peace in the assembly of the league, war between Greece and Turkey was devastating Asia Minor. He stated that league opponents too often ignored political and economic conditions, under-rating the difficulty of settling a dispute and at the same time avoiding offense to the parties; that the league, in the interest of self-preservation, had to avoid rash interventions; that it was not yet the universal association which it must eventually become, but it might be confidently anticipated that among the great nations still absent from the league, the United States of America would not long delay her collaboration. He urged that the time had come for the League of Nations to be discreetly bold, saying that good will and confidence would increase its authority; that there would be no certainty of world peace until all questions dividing peoples were submitted to compulsory arbitration; that it was necessary for the league to create guarantees assuring respect for international public order.

## MANDATE FOR SOUTHWEST AFRICA

Mr. Bellegarde then called attention to what he termed "extremely grave occurrences" in Southwest Africa, saying that Sir Edgar Walton had referred to a native uprising; that, according to the press, a punitive expedition had been sent against the natives equipped with all the modern resources of war, although there had been no act of rebellion or disorder; that it was inadmissible that women and children should be massacred under the auspices of the League of Nations.

He then presented the following resolution:

The assembly, highly appreciating the action taken by the Government of South Africa in communicating, in its capacity of mandatory power for southwest Africa, the report of the Bondelzwart rebellion, 1922, moved by feelings of great anxiety for the welfare and relief of the survivors, resolves to express:

1. Its profound satisfaction with the official statement made by Sir Edgar Walton that a full and impartial inquiry will be made into all the facts of the Bondelzwart rebellion and its repression.
2. The confident hope that the permanent Mandates Commission at its next session will consider this question and be able to report that satisfactory conditions have been reestablished and that in the meanwhile the mandatory power will make every

effort to relieve the suffering of the victims, particularly the women and children, and that it will insure protection and restitution of the remaining livestock and in general the restoration of the economic life of the Bondelzwart district.

## MINORITIES

On the question of minorities, Mr. Charles Pusta, Estonia, said that if a committee of the assembly should take up this question, he hoped an answer could be found to the following inquiries: What constitutes an ethnical minority? What is the number of nationals differing in origin, religion, or language from the majority of the population which might be treated as a minority in any particular state? What is meant by cultural autonomy? How should such autonomy be organized and what are its limits? Could the league, pending an international treaty concerning minorities, recommend its members to conclude special treaties for their protection?

Mr. Pusta then remarked that if the committee found satisfactory replies to these inquiries it might be able to prepare a standard treaty for protection of minorities; that no such treaty was in existence. He added that the Estonian Government had adhered to the recommendation adopted by the assembly on September 15, 1920, inviting the Baltic States on admission to the league to apply the principles of the minorities treaties; that the Estonian constitution, adopted in January, 1920, provided all necessary guaranties for the minorities in Estonia; that Doctor Nansen had said that Estonia had not yet made a declaration as to protection of minorities although she had undertaken to do so; that this question involved legislation and the sovereignty of Estonia; and that he asked Doctor Nansen to await the results of the negotiations in progress between the council and the Estonian representative.

## THE POSITION OF THE LEAGUE

Mr. Trygger, Sweden, averred that the league should not ignore the great questions of the moment in order to take up secondary matters; that a committee of the league has presented interesting reports on the economic and financial condition of Europe, but no appeal had yet been made to the conscience and common sense of all the States of the world; that the nations could not always be regarded as victors, vanquished, or neutrals, but as nations more or less compelled to unite in order to save civilization and the prosperity of the world.

## MINORITIES

Doctor Walters, Latvia, referred to Doctor Nansen's statement that Latvia had not yet made a declaration to the league concerning minorities, stating that negotiations were under way between the Latvian Government and the council; that meanwhile Latvia had granted to her minorities equal rights with her other nationals; that the president of the council had stated that in his opinion the provisions in force in Latvia corresponded in effect with the principles of the minorities treaties.

## MESSAGE FROM CUBAN SENATE

The president read a communication from the president of the Senate of Cuba expressing the cordial good wishes of the Cuban Senate for the success of the league and the third assembly.

*Eighth meeting, Saturday, September 9, 1922, 10 a. m.*

(Continued discussion of council's report)

## FUTURE OF LEAGUE—FIRST WORLD NAVIGATORS

Count de Gemenio, Spain, expressed confidence in the league's future, saying that it was at present in embryo, but timed developing spirit of justice. No matter what might be said, he continued, the Washington and Geneva conferences had in no way injured the prestige of the league. He added that Spain had just celebrated the fourth centenary of her great navigator, Sebastian Elcano, who had been the first to sail round the world, having been accompanied during a part of the voyage by the Portuguese navigator Magellan; that since universal peace was the purpose of the league it should keep in mind these navigators who had shown it possible for all peoples on the globe to join together in friendship.



## PORTUGAL'S REPLY

Mr. Teixeira Gomes, Portugal, expressed his thanks for the mention of his country and the work of Magellan.

## MESSAGES TO SPAIN AND PORTUGAL

The president proposed that telegrams be sent from the assembly to the King of Spain and the President of the Portuguese Republic in honor of the two celebrated navigators who had been the first to sail round the world. Proposal adopted.

## WORK OF COUNCIL—NATURE OF LEAGUE

Mr. Hymanes, Belgium, said that the criticisms of the council had been made in friendly spirit, that the council had been animated by a spirit of disinterestedness and mutual confidence, the manner in which the Silesian question had been settled being proof of this. Thanks to this spirit, he continued, and to the help of the high commissioner, negotiations between Danzig and Poland were resulting in a practical agreement. He said that tribute should be paid to the important part of the secretariat in the council's work, that the league had before it a large number of questions, such as health, public morality, economics, and finance, which served as a basis for political cooperation, that while some impatience was to be foreseen, the league could not remake the world and realize its ideal by a single stroke. He stated that the fundamental nature of the league must not be forgotten, that the council and the assembly were composed of the representatives of governments, that while they had a certain liberty of action they received instructions and when they voted committed their governments, that it was this fact which gave the league its authority, that the council could not deal with questions which their governments were discussing elsewhere, that in order to develop on useful lines and win practical results the league must be invited to discuss questions by governments themselves. He stated further that the league must gain the support of public opinion which ruled governments and would give the league a moral authority in place of material power, that the authors of the covenant had desired to create a new world, but it should be remembered that the peace which had been signed was not yet an accomplished fact, that the feeling of security was still lacking, and that as long as certain problems remained unsolved efforts for general peace would necessarily be slow. He added that if the league restored an independent Austria, a great task would be accomplished, that the Armenian problem which had disturbed the first assembly had not yet been settled, that this persecuted people had never lost courage, always hoping that a national home for them would be established, that it was to be hoped that the great powers, dealing with Asia Minor, would not forget the Armenian people but would fulfill their promises, that it was the duty of all to carry on propaganda in every country, that public opinion must be directed toward the attainment of an idea combining the national ideal of justice with the European ideal and the ideal of humanity.

## AUSTRIA

Mr. de Oliveira, Brazil, said that his country desired to respond to the appeal for Austria, that one of the league's first duties was to help a member threatened with ruin, that a remedy must be found for a situation whose consequences affected not only Europe but the world.

## WORK OF COUNCIL AND COOPERATION OF SERB-CROAT-SLOVENE STATE

Mr. Nintchinch, Serb-Croat-Slovene State, expressed appreciation of the council's work, stating that it had acted prudently on the question of minorities and wisely in the Albanian controversy; that mutual trust now existed between Albania and the Serb-Croat-Slovene State; that the government of these states, inspired by the spirit of the league, had endeavored to better its system of communication in order to assist international commerce; to increase its production, and reduce its expenditure, especially military expenditure.

## WORK OF LEAGUE

Mr. Hanotaux, France, stressed the importance of the league's achievements, saying that on several occasions it

had contributed to peace in questions extremely complex, referred to it by the powers and was displaying fruitful activity in many different spheres; that it was wisely administering the territories placed under its control in the Saar and Danzig; that its actions were the best answer to criticisms; that new tasks were intrusted to it daily, the latest being the relief of Austria; that it was henceforth clear that if the league were suppressed, nothing could be found to replace it. He asserted that the cause of the league's success lay in its methods and in its spirit; that these methods consisted in careful preparation, in collaboration by an experienced secretariat, in keeping always in view the principles of right and the ideal of a peaceful human race; that article 1 of the covenant deferred the spirit of the league in obligating its members to loyalty and sincerity; that public opinion should have confidence in the league and allow it time to carry on a work strongly conceived and efficiently begun.

## PROGRESS OF LEAGUE

Mr. Askenazy, Poland, said that the report on the council's work showed the progress made by the league; that the settlement of the Silesian question had been a brilliant success and the same might be said of the conference at Warsaw, held under the league's auspices; that the league had begun an inquiry into the Russian situation; that Poland had the deepest sympathy with Russia, in whose economic reconstruction she was more interested than was any other nation. He stated that the league had generously devoted itself to the protection of minorities; that the object must be to create an atmosphere of peace in the countries concerned; that it was necessary therefore to avoid too frequent interventions from the outside, especially in the case of countries still young.

## THE WORLD CRISIS AND THE LEAGUE—ACHIEVEMENTS OF LEAGUE

Mr. Jonkhier Loudon, Netherlands, said that the economic disturbance of the whole world caused anxiety to all governments, whether belligerent or neutral in the World War; that it was right, therefore, for the league to deal with the problem and that it had already done much; that the Brussels conference had borne results and that the economic and financial committee of the league was working continuously, but the league's means were limited; that it was for the governments themselves, by direct negotiation, to solve the vast financial problem, the greatest barrier in the way of universal restoration of prosperity. He said that although certain questions, such as interallied indebtedness and reparations, could not be handled by the league, still a great deal could be done by way of general reconstruction; that Austria had been convinced that the league desired to do everything possible for her assistance; that the league had several questions under consideration, to wit, reduction of armaments, lowering of economic barriers between nations, application of mandates; that the work of the past justified the fullest confidence in the future, but the league would not reach its full strength until it was universal.

## TRIBUTE TO LEAGUE—MINORITIES—GREECE RELATIONS

Mr. Streit, Greece, praised the league's wisdom and impartiality, stressing the importance of Professor Murray's proposal as supplemented by the proposals of the delegates of Latvia and Estonia, which were supported by the delegate of Bulgaria. He said that Greece was especially interested in the question of minorities—that a considerable Greek population, native of the soil, existed in countries under Turkish rule; that Greece had given to racial and religious minorities within its territories civil and political equality and had the right to require similar guaranties for Greek minorities; that it was unnecessary to remind the assembly of the long persecutions of the Christian Greek, Armenian, and other nations of Asia Minor and Pontus; that the assembly had been moved by the noble utterances of Mr. Hymans regarding Armenia; that there was no nobler task than the protection of these unfortunate minorities and that it was to be hoped that the league would support with its high authority any effort through a treaty for their protection. He expressed the hope that the intervention of



the council into Bulgaria's relations with her neighbors and the direct negotiations between the countries would result in settlement, thus avoiding resort to the League of Nations. As to Albania, he said the Greek delegation could only repeat its declaration of the year before of the sincere desire of Greece to see Albania develop prosperously, independently, peacefully; that in this spirit Greece was negotiating with the conference of ambassadors as to the delimitation of Albania's frontiers and had already appointed a representative for diplomatic relations with Albania; that he hoped the commission of inquiry of the league still in Albania would be instructed by the council and the secretariat to extend its investigations to northern Epirus.

#### ARMENIA—COMMUNICATION FROM LORD CECIL

The president announced a communication from Lord Cecil, expressing the desire, if events showed such a course desirable, that the assembly be invited at some future date to renew its interest in and sympathy for the Armenian Nation.

The assembly decided to submit this question to the committee on agenda for submission, if necessary, to the sixth committee.

#### CLOSE OF GENERAL DISCUSSION ON REPORT OF WORK OF COUNCIL

The president closed the general discussion on the report on the work of the council.

#### REPORT OF COMMITTEE ON AGENDA

The committee on agenda recommended that Professor Murray's proposal on minorities, of September 5, and the amendment thereto by Doctor Walters, of September 6; that Sir Arthur Steel-Maitland's resolution on slavery in Africa, of September 6; that Doctor Nansen's resolution regarding mandates, of September 7; and that Mr. Bellegarde's resolution regarding the Bondelzwart rebellion, of September 8, be added to the agenda of the assembly and sent to the sixth committee. Recommendation adopted.

#### ELECTION OF NONPERMANENT MEMBERS OF COUNCIL

Mr. Tang Tsai-Fou, China, proposed the following motion:

The committee on amendments to the covenant is requested to draw up, during its next session, draft rules of procedure for the election of the nonpermanent members of the council in order that the third assembly shall have well-defined rules for the election of the four nonpermanent members of the council for the year 1933.

Referred to committee on agenda.

The assembly did not meet again until Friday, September 15, in order to give opportunity for committee work.

*Ninth meeting, Friday, September 15, 1922, 10 a. m.*

#### MESSAGE FROM PRESIDENT OF BRAZIL

The president read a message from the President of Brazil thanking the assembly for its good wishes on the centenary of Brazil's independence.

#### GEORGIA

Mr. de Brouckere, Belgium, offered this resolution:

The assembly of the League of Nations, moved by the present unhappy position of Georgia, as a country invaded and occupied contrary to the wishes of its inhabitants, writes the council to follow attentively the course of events in that part of the world so that it may be able to seize any opportunity which may occur to help in the restoration of this country to normal conditions.

Referred to committee on agenda.

#### REPORT OF SPECIAL COMMITTEE ON AGENDA ON QUESTIONS SUBMITTED BY LITHUANIAN AND POLISH DELEGATIONS

Mr. Hymans, Belgium, presented the report of the special committee on the retention on the agenda of the third assembly of the new question submitted by the Lithuanian Government and on the previous question raised by the Polish delegation.

Report approved and the following resolution adopted:

The third assembly being requested by the Lithuanian Government to include in its agenda a new question drafted, as follows: "Protest against arbitrary actions of the Polish Government in connection with the territory of Vilna subsequent to the council's recommendation of January 13, 1922";

In view of the letter of the Polish Government raising the previous question;

In view of the reply of the Lithuanian Government dated September 6, 1922;

Approves the report presented for the special committee by Mr. Hymans, delegate of Belgium;

Decides in consequence that the previous question should be adopted as regards the Lithuanian complaint brought against the statute of Vilna and the elections which the Polish Government proposed to hold in that district;

Maintained on the agenda the new question so far as it concerns abusive treatment alleged to have been inflicted on the Lithuanian population in the Vilna district;

And as it is not desirable that the discussion of the Lithuanian allegations should be raised at the assembly before the competent committee has had an opportunity of investigating them, proposes to refer the question, thus clearly defined, directly and without discussion, to the sixth committee of the assembly which is responsible for the investigation of political questions.

#### REPORT OF SECOND COMMITTEE ON WORK OF THE HEALTH ORGANIZATION

Mr. Chodzko, Poland, chairman, and Mr. Rivas-Vicuna, Chili, reporter, second committee, came to the platform and the latter read the first resolution presented by the committee to the assembly which was as follows:

1. The assembly notes with satisfaction:

(a) The assistance given by the health organization to the work of the health conference of Warsaw and notes also that the Genoa conference, having considered the Warsaw conference report in accordance with the request contained in the resolution of the council forwarded on April 3, approved the principles of the antiepidemic campaign adopted by the Warsaw conference and that in consequence of this resolution of the Genoa conference, transmitted to the health organization by resolution of the council, dated July 21, the health organization has been charged with the duty of carrying on the program outlined by the conference;

(b) That the health organization has been authorized by various countries to undertake the duties of mediation entrusted to it by certain bilateral sanitary conventions which have been concluded as the result of the Warsaw conference and that the council has approved the discharge of these duties;

(c) The cooperation established between the health organization and the other technical organizations of the League of Nations, notably the permanent advisory committee on opium, the transit commission, and the mandates commission;

(d) The assistance given by the health organization in the work preparatory to the revision of the international sanitary convention of 1912 and the realization of cooperation with the "office international d'hygiene publique" thus effected and the fact that the council has decided to place the organization at the disposal of the conference, which is shortly to be convened by the "office international d'hygiene publique";

(e) The cooperation effected by the health organization in experimental research concerning the standardization of sera and serological tests, the first results of which will be presented to a conference which will be convened at Geneva in the near future;

(f) The development of the activities of the health organization with regard to epidemiological intelligence, which should not be limited to problems of importance to only a limited number of countries;

(g) The initiative taken by the health organization with regard to the interchange of the sanitary personnel of various governments, which system it desires, should be made applicable to as large a number of countries as possible.

2. The assembly desires to express its appreciation to the Rockefeller Foundation for the financial assistance that has been offered to the health organization to assist in the development of certain of its activities.

3. The assembly considers that the health organization of the League of Nations is undertaking a task of permanent utility, and that it is indispensable that it should continue its activities.

The assembly considers that it may be possible before the meeting of the fourth assembly to prepare on the basis and on the principles adopted by the first assembly for the technical organizations of the league the constitution of a permanent health organization which will be submitted to the fourth assembly for approval. In such case this organization will undertake the duties laid down in the resolutions of the first and the second assembly. It may, if necessary function meanwhile within the limits of the budget and in anticipation of the above-mentioned approval of the fourth assembly. To this end the assembly authorizes the council to take advantage of such general conference as may be convoked, it being understood that all states members of the League of Nations shall be invited to send delegates thereto.

It also suggests to the council that an attempt be made at the forthcoming conferences to make such arrangements as may be necessary to avoid duplication.

Mr. Zumeta, Venezuela, said that in the opinion of the Venezuelan delegation the advisory and technical duties of the provisional health committee of the permanent health organization should be more precisely defined, that except in case of urgency and with the approval of the council its technical organs should not proceed to the execution of



any plan except in conformity with a scheme previously submitted to the assembly for its approval.

Mr. Rivas-Vicuna, Chile, reporter for the committee, replied that the committee had considered the point raised by Mr. Zumeta and pointed out passages in the report which in his view met the situation.

Mr. Zumeta, Venezuela, accepted this explanation on behalf of his delegation.

The first resolution was adopted.

Mr. Rivas-Vicuna, Chile, read the second resolution, which was as follows:

The assembly expresses the opinion that the persistence of epidemics in eastern Europe still constitutes a serious danger to the world and prejudices the reestablishment of normal economic conditions in the countries affected by the epidemics and in the whole world.

The assembly notes that all the governments represented at the International Economic Conference of Genoa accepted the principles of the participation of all European States in the expenditure necessary for the antiepidemic campaign and agreed to intrust the direction of this campaign to the temporary epidemic commission.

The assembly has taken note of considerable financial effort made by the states contiguous to Russia in order to carry on the campaign in their own territories.

The assembly notes that in conformity with the Genoa resolution, the British Government has offered a contribution of £100,000 to the temporary epidemic commission, subject to the condition that the total contributions of other governments should equal a sum of not less than £200,000, and that the council has decided to acquaint the delegations of all members of the League of Nations present at the assembly with this offer, asking them, if possible before the end of the assembly, to make an announcement regarding the assistance which their respective governments will be ready to furnish. The assembly hopes that the members of the League of Nations will be able to respond at an early date.

The second resolution was adopted.

Mr. Rivas Vicuna, Chili, read the third resolution which was as follows:

The assembly notes that hitherto the temporary epidemic commission, of which the funds are provided entirely by voluntary contributions intended for the campaign against epidemics and freely granted by certain states, has undertaken a series of epidemiological inquiries and has established a closer cooperation with the technical administrations, necessary in view of the aim which it pursues; but that its activities have been made use of by the health organization for its own requirements; and

Whereas, under these circumstances, it does not seem equitable that the cost of the work, in which all the states are interested, should be borne only by certain states, and this expenditure should rather be provided for under the ordinary budget of the league; and

Whereas, it is not admissible that these sums should be paid out of the contributions made by certain states for the clear and well-defined purpose of the campaign against epidemics properly so-called; and

Whereas, the effective continuation of this work and regard for its best results, from the economic point of view, renders it desirable that the temporary epidemic commission should continue to be entrusted with it:

Decides that the sum of ——— francs shall be included in the budget of the health organization as a contribution to the temporary epidemic commission.

Colonel John Ward, British Empire, said it was suggested that 125,000 Swiss francs should be voted for the purpose of handling epidemics, that he had insisted, with a majority of the committee, that the word "temporary" should be placed before "epidemic commission" to show clearly that this sum was to be a temporary and not a permanent charge.

This resolution, the third presented by the second committee, is referred to the fourth committee.

#### NONPERMANENT MEMBERS OF COUNCIL

The president announced that he had received the report of the committee on agenda on the proposal of Mr. Tsai-Fou, China, of September 9, regarding the election of nonpermanent members of the council. The report recommended that the proposal should be placed on the agenda and referred to the first committee. Report adopted.

*Tenth meeting, Monday, September 18, 1922, 11 a. m.*

#### PROPOSED CHANGES ON PROCEDURE

The Spanish delegation proposed, through the president, changes in procedure allowing greater latitude as to the time of electing vice presidents and including a report on the work of the secretariat in the report on the work of the council. Referred to committee on agenda.

#### STATUS OF EASTERN GALICIA

The Canadian delegation proposed, through the president, a resolution renewing the action of the second assembly in requesting the council to draw the attention of the principal allied and associated powers to the desirability of determining at an early date the status of eastern Galicia. Referred to committee on agenda.

#### ADMISSION OF HUNGARY

Mr. Loudon, Netherlands, read a report from the sixth committee unanimously favoring the admission of Hungary to the League of Nations.

Mr. Osusky, Czechoslovakia, said he deemed it his duty in the name of the Czechoslovak, Rumanian, and Serb-Croat-Slovene delegations to call attention to certain facts, that in reality compulsory military service had not been abolished in Hungary, as was proved by articles in the Hungarian press and by a decree of the Ministry for National Defense; that the allied military commission at Versailles had stated that a number of measures had still to be taken to insure the material disarmament of Hungary; and that certain facts proved that equality of civil and political rights was not yet assured to all citizens. Nevertheless, he continued, the Czechoslovakian, Rumanian, and Serb-Croat-Slovene delegations recommended the admission of Hungary to the league in view of the solemn promise of Count Banffy that the Hungarian National Assembly would ratify as soon as possible the obligations assumed by Hungary to the league.

A roll-call vote was taken and Hungary unanimously admitted.

In the assembly's name the president congratulated Hungary on her admission, and invited the Hungarian delegation to submit their credentials and take seats in the assembly.

#### TRAFFIC IN OPIUM

Mr. Fielding, Canada, chairman, and Mademoiselle Bonnevie, Norway, reporter, fifth committee, came to the platform.

Mademoiselle Bonnevie presented the report of the fifth committee and read the following resolutions:

1. The assembly, being convinced that the most practical means of exercising control over the traffic in dangerous drugs is by means of the important export-certificate system, and believing that only international action can make this system a success, urges on all governments the vital necessity of adopting this import and export certificate system without delay.

2. The committee on traffic in opium inclines to the view that the governments which are parties to the international opium convention should be asked to agree not to issue licenses for the import of opium or the other drugs to which the convention applies from any country which has not yet ratified and put into force the convention and adopted the system for the control of exports and imports approved by the assembly in paragraph 1 (3) of the resolution adopted on September 30, 1921, and previously approved by the council on June 28, 1921. The committee considers this question important and urgent, but recognizing the complicated and technical character of issues involved, it is of opinion that the matter should be examined in detail by the advisory committee of the league on traffic in opium before any definite action is taken. It, therefore, recommends that the assembly should request the council to convene a meeting of the opium advisory committee, as soon as possible, to study the question and should that committee report in favor of the proposal that the council should be asked to act on the recommendations of the advisory committee in the form approved by the council, at the earliest possible date, and without further reference to the assembly of the council considers such reference unnecessary.

3. The assembly being of the opinion that the first steps necessary in limiting the world's supply of dangerous drugs to legitimate use is a knowledge of the amount of drugs required by each country for internal consumption, urges the governments to supply the returns asked for with the least possible delay and with the greatest accuracy in their power. The various governments should, with a view to allowing comparisons to be made, state clearly the system adopted in arriving at the estimate and should supply a secondary statement showing estimated consumption per 100,000 inhabitants.

4. The assembly of the League of Nations again desires to emphasize the view expressed in the report of the advisory committee that as long as the drugs to which part 3, particularly article 9, of the opium convention applies, are produced in quantities exceeding the legitimate requirements, there is a great danger that the surplus will find its way into illegitimate channels, and that the control of production, so as to limit it to the amount required for medical and legitimate purposes, is the most effective

method of putting a stop to the illicit trade. It recommends that the inquiry, now proceeding into the world's legitimate requirements, should be pressed forward as rapidly as possible, expresses the hope that a provisional estimate and scheme will be submitted to the assembly next year.

5. The assembly, convinced of the urgent necessity of securing the fullest possible cooperation in the work of the advisory committee on traffic in opium and other dangerous drugs and considering the fact that the United States of America is one of the most important manufacturing and importing countries, recommends to the council of the league that it should address a pressing invitation to the Government of the United States to nominate a member to serve on the committee.

Mlle. Bonnevie, discussing the resolutions, insisted on the necessity for international cooperation, stating that the system of import and export certificates approved in the previous year by the assembly depended entirely on its universal adoption; that it had been adopted by a third of the members of the league; that even if January 1, 1923, should be set for the inauguration of the system difficulties would arise because certain states had not adhered to the opium convention. She said that the health committee was endeavoring to ascertain the medical needs for morphia and other drugs; that in the degree that the legitimate needs remained undefined illicit traffic would always be possible, and that it was necessary to have the cooperation of all countries.

Viscount Chelmsford, India, praised the good will and desire for cooperation shown by the assembly, asserting that the league had done its best to solve the problem of the traffic in opium and other dangerous drugs in conformity with the covenant, and that the advisory committee on the traffic in opium had done admirable work, but that unhappily has been disappointment in the matter of putting the resolutions into force. He said that the Hague convention had not been ratified or even signed by a great number of states, and that a great number of states had not adopted the system of import and export certificates. He added that the committee thought the second resolution should be referred to the advisory committee on the traffic in opium, and that if the advisory committee was favorable the council might carry out the proposals without reference to the assembly.

The assembly postponed further discussion of the report of the fifth committee.

#### FIRST DELEGATE FROM HUNGARY

Mr. Agnero y Bethancourt, Cuba, reporter for credentials committee, announced that the credentials of the first delegate from Hungary, Count Banffy, had been found in order. The assembly invited Count Banffy to take his seat.

#### GREEK AND ARMENIAN REFUGEES IN CONSTANTINOPLE PROPOSE INTERVENTION IN WAR BETWEEN GREECE AND TURKEY

The president read a communication to him from Doctor Nansen requesting that he be allowed to lay before the assembly the matter of permission to utilize the organization of the high commissariat in Constantinople for administration of relief to many thousands of Greek and Armenian refugees arriving, as he had been advised by wire, from Smyrna and Broussa. Doctor Nansen stated further that he would ask the assembly whether the league ought now, under article 11 of the covenant, take any action that may be deemed wise and effectual to safeguard the peace of nations in the conflict which had caused so grave a situation, and asked permission in this communication to move a resolution, if it should seem right to do so, requesting the council to consider promptly what steps it could take by offer of its good offices to the belligerent parties or otherwise with a view to the immediate cessation of hostilities.

The president suggested that the first proposal be immediately put on the agenda and referred to the sixth committee and that the second, regarding intervention by the council in the conflict between Greece and Turkey, be referred to the committee on agenda with the request for a report at the earliest possible moment.

The president's suggestions were adopted.

#### NATIONAL HOME FOR ARMENIANS

The president announced that he had received from Lord Cecil, delegate for South Africa, the following proposal:

The assembly notes with gratitude the action taken by the council with respect to Armenia and declares that it is of the opinion that in any peace with Turkey it should be an essential condition that a national home should be provided for the Armenians and requests the council to take all steps which it may think useful to secure this result.

Referred to committee on agenda.

The committee on agenda recommended that the resolution of Mr. Brouckere, Belgium, of September 15, regarding Georgia be put on the agenda and referred to the sixth committee. Recommendation adopted.

Mr. da Gama, Brazil, suggested that the assembly express its good feeling for Chile, which was celebrating the anniversary of its independence. Suggestion adopted.

Mr. Rivas-Vicuna, Chile, thanked the Brazilian delegation and the assembly.

*Eleventh meeting, Tuesday, September 19, 1922, 10.30 a. m.*

#### COMMUNICATION FROM HUNGARIAN DELEGATE

The president presented a letter he had received from Count Banffy, the Hungarian delegate, stating that he had never been given an opportunity to clear up the matters mentioned by Mr. Osusky in his address to the assembly regarding Hungary.

#### CONTINUED DISCUSSION OF REPORT ON OPIUM TRAFFIC

Mr. Fielding, Canada, chairman, and Mlle. Bonneiré, Norway, reporter, fifth committee, took their places on the platform.

Mr. Chao-Hsin Chu, China, said that China would do everything possible to carry out the Hague convention, but that certain colonies in her neighborhood had established monopolies for the sale of opium and that certain opium-producing countries had not yet limited their output. He told the assembly that China had suffered especially from the introduction of morphia since the Anglo-Chinese agreement of 1907 had ended; that he hoped the assembly would adopt the recommendation that the powers signatory to the Hague convention should scrupulously respect article 9 of the convention; that it was the request of the Chinese Government to producers of dangerous drugs not to send them to countries where they might go into China as contraband; that a system of import and export certificates would restrict illicit traffic and that the reply of the governments to the questionnaire would facilitate the task of the advisory committee.

The Maharajah Jam Saheb, of Nawanagar, India, said that certain misconceptions were general in regard to opium; that it was believed that India and China were great producers of opium; that western public opinion saw nothing beyond opium profits and opium dens. It was important to realize, he continued, that in certain eastern countries, including India, outside the regular scientific, medical use of opium there was a legitimate and popular use of it as medicine and use similar to that of coffee, beer, and wine in Europe. He asserted that the consumption per head in India was inconsiderable, and his people did not understand why they should be asked to make the demanded sacrifice; that state regulation has cost the Government of India about £40,000,000 in the last 10 years, the loss to producers being about £120,000,000; that the total consumption of opium in India was 2 grams per head per annum, including the amount used for veterinary purposes. He stated that India applauded the policy of national and international regulation, but that it was necessary that the Indian people be assured that the regulations were just and essential.

Sir Arthur Steel-Maitland, New Zealand, said that the co-operation of all countries was essential in the campaign against opium, morphia, and cocaine; that if quantities necessary for legitimate purposes were not ascertained and if production were not limited it would be impossible for the advisory committee on the traffic in opium to make successful headway.

Lieutenant Colonel Ward, British Empire, said it was necessary to clear British administration in the colony nearest China from certain intimations which had been uttered; that these authorities were trying with great energy to suppress the opium traffic; that the observations of the Maha-



rajah of Nawanagor were practical and worthy of attention; that opium gave rise to abuses as did alcohol in Europe. He stated that he was not opposed to the resolutions of the fifth committee if they were intended to suppress the abuse, but that the league must not lose sight of the great problems confronting it.

The resolutions of the fifth committee on the opium traffic were adopted.

#### GREEK AND ARMENIAN REFUGEES AT CONSTANTINOPLE

Mr. Aguero y Bethancourt, Cuba, presented the following resolution from the fifth committee on the proposal of Doctor Nansen in reference to Greek and Armenian refugees at Constantinople:

The assembly, having heard Doctor Nansen's statement regarding the critical situation of more than 200,000 refugees from Asia Minor and his offer of the services of his Russian refugee organization for administration of any funds contributed for the benefit of the refugees;

And considering that this is a work which demands immediate action by the league—

Recommends that the high commissioner of the league be authorized to utilize the services of the Russian refugee organization for assisting in the relief of refugees from the Near East and for the handling of the money collected for this purpose, it being understood that the league undertakes no responsibility for these refugees, that the work for Russian refugees shall continue without hindrance, and that this additional activity be considered of a temporary nature;

And recognizing the urgency of providing an adequate administrative organization for these refugees;

Invites the council to consider whether it can not place at the disposal of Doctor Nansen from the item of "Unforeseen expenditures" a sum sufficient to enable the necessary administrative measures to be taken for a period which will allow for adequate arrangements to be made from other sources.

Mr. Aguero y Bethancourt, Cuba, explained that Doctor Nansen had appeared before the committee, offered the services of his organization at Constantinople, and that the Greek delegate had also made an appeal to the committee.

Doctor Nansen said that if the council granted the necessary administrative funds it would afterwards be necessary to raise a considerable amount; that for this purpose he appealed to all nations, on behalf of 200,000 victims in need of assistance, that it was necessary that the governments and the League of Nations unite their efforts.

The resolution was unanimously adopted.

#### MANDATES

Doctor Nansen, Norway, reported the recommendations of the sixth committee on mandates, saying that the league might be assured that the new machinery for dealing with the mandates was already working, and apparently working smoothly. To the mandatory powers and the mandates commission he extended thanks for the way in which they had fulfilled their obligations. He pointed out that the sixth committee in their report on mandates had noted with satisfaction the intention of the mandates commission to investigate further the question of indentured labor in the Pacific islands, to examine further the laws of land tenure in mandated territories, and the status of liquor legislation and the importation of alcoholic liquors in Africa. He stated that the committee had made reference to the social, economic, and political effects of the Ruande frontier, and commended to the assembly's attention the committee's reference to the mandate for the Naura Islands.

He said that the committee recommended the adoption of the motion of September 8 by Mr. Bellegarde, Haiti, in regard to the Bondelzwart rebellion.

He stated that the committee had agreed on the following conclusions as to petitions from mandated territories:

The committee, having considered the matter of the right of petition alluded to in the report of the permanent mandates commission, expresses the hope that this right may be defined in such a manner that—

1. All petitions emanating from inhabitants of mandated areas should be sent to the permanent mandates commission through the intermediary of the local administration and of the mandatory power;

2. All petitions concerning the welfare of the inhabitants of mandated areas emanating from other sources should not be considered by the permanent mandates commission before the mandatory power had had full opportunity of expressing its views.

Madame Anna Bugge-Wicksell, Sweden, extended thanks to the sixth committee for the appreciation it had expressed for the mandates commission of which she was a member. She said that the commission regarded it as a duty to safeguard the interests of men and women incapable of defending themselves and with little knowledge of modern ways and methods; that it had to examine the decrees and ordinances of various administrations and to ascertain that they were well and justly applied; that the committee knew the extreme delicacy of its task; and that the mandatory powers, when noting the observations of the commission, should consider the difficulties of the commission in carrying out duties entirely without precedent.

Sir Francis Bell, New Zealand, said in presenting a written statement to the assembly, that the Government of New Zealand felt it had a dual obligation and duty, first, as a member of the league, second, as a mandatory power. The written statement was to the effect that New Zealand was under an honorable obligation to legislate and administer according to the terms and intent of the league covenant; that she was bound to report annually to the council; that she was willing and anxious to receive suggestions and advice from either the permanent mandates commission or the council of the league, but could not admit that the permanent mandates commission had power to interpret for her the meaning of the covenant or to dictate to her the procedure she should adopt in her endeavors to perform her duties to the league.

He then said that the report of the mandates commission should be a report to the council, not the public; that New Zealand did not desire opinions upon her laws or her administration except from the council or the assembly. He said that when the assembly referred a report from the mandates commission to one of its committees the delegates of the mandatory power had a right to require that the committee should inquire into, and report to the assembly upon, any objection offered by the mandatory to the language or the findings of the report; that the mandatory should have the right to appeal from adverse comment and to merit a decision from the assembly; that the mandatory could not be asked to alter its administration or repeal or amend its legislation until its fellow members of the league had decided that in their opinion the comment or criticism made concerning its administration or legislation was justified.

Continued discussion of mandates was adjourned to the next meeting of the assembly.

#### COMMITTEE ON AGENDA

The president announced that the committee on agenda had decided to refer to the first committee the Spanish delegation's proposals of September 18 in regard to articles 4 and 7 of Rules of Procedure; to refer to the sixth committee Lord Cecil's proposal of September 18 regarding a national home for Armenians; to refer to the sixth committee the Canadian delegation's proposal of September 18 relating to the status of Eastern Galicia.

These references were approved by the assembly.

#### REPATRIATION OF PRISONERS OF WAR

The assembly decided to place on the agenda and to discuss on Wednesday, September 20, Doctor Nansen's report on the conclusion of the work of repatriating prisoners of war.

#### INQUIRY INTO ATROCITIES IN NEAR EAST—PROPOSAL OF PERSIAN DELEGATION

The president announced receipt of a communication from the Persian delegation of the assembly to the effect that the delegation of the national assembly of Turkey in Rome had asked Persia, as the only state of the Mohammedan world represented in the assembly, to urge that the League of Nations organize an impartial inquiry on the atrocities committed during the present war, and that the Persian delegation begged to submit the following resolution:

The assembly, moved by the pitiful events in the Near East and the accusations which each belligerent had made against the other concerning the treatment of the civil population, invites the coun-



cil to send at once a neutral commission of inquiry to throw light on these occurrences and to avoid reprisals against the ethnical or religious minorities of Thrace and of Asia Minor.

*Twelfth meeting, Wednesday, September 20, 10.30 a. m.*

#### BUILDING SITE FOR INTERNATIONAL LABOR OFFICE

The president announced receipt of letter from the Swiss delegation offering, first, an estate adjacent to the Hotel National of 4,493 square meters; second, an estate on the shores of the lake in the Rue de Lausanne of 38,843 square meters, as a site for the international labor office.

The assembly decided that it would note the generous offer of the Swiss delegation and referred it to the fourth committee.

#### HOSTILITIES IN NEAR EAST AND DOCTOR NANSSEN'S PROPOSAL

The president stated that the committee on agenda had decided that Doctor Nansen's proposal of September 18 that the council be invited to examine the possibility of taking steps with a view to securing immediate cessation of hostilities in the Near East should be placed on the agenda of the assembly and referred to the sixth committee. Action of committee on agenda approved.

#### RENEWAL OF DISCUSSION OF REPORT OF SIXTH COMMITTEE ON MANDATES

Sir P. S. Sivaswamy Aiyer, India, supported the conclusions of the report of the sixth committee on mandates, thanking the permanent mandates commission for their solicitude for native inhabitants of mandated territories. He spoke of the dangers inherent in the system of indentured labor, saying that the Indian Government's experience had shown the dangers of the immigration of an exclusively male laboring population and that it had always tried to secure due proportion between the sexes. He contended that the question of land tenure was also important; that there was a tendency to assume that native rights which could not be proved under the principles of modern law might be ignored. He said that he was glad that the permanent mandates commission had decided to study the question, that he considered dangerous the French doctrine embodied in the phrase, "Private domain of the state." He stated that he wished there had been a more pronounced indorsement of the references of the permanent mandates commission to the partition of Ruanda; that he would like to have asked the council to express the hope that this boundary would be rectified. He referred to the speech of Sir Francis Bell on the day before and said that he saw no tendency on the part of the permanent mandates commission to invade the prerogatives of the council or to depart from its proper sphere. He stated that it was unfortunate that the South African Government had not afforded the permanent mandates commission the same assistance as had the Governments of Australia, New Zealand, and Japan; that he inferred from recent utterances of General Smuts that the responsible statesmen of South Africa might possibly have some misconception of their obligations; that General Smuts had said that the territories under C mandates were virtually annexed to the territory of the mandatory. He stated further that the mandatory powers had a very serious responsibility; that a great experiment was being made for the first time in history; that hitherto native populations had suffered from contact with white civilizations, contact leading in southwest Africa to the virtual destruction of a native race; that it was the league's duty to see that in future the welfare of the native races should be promoted.

Mr. Bellegarde, Haiti, praised the loyalty shown by the Government and the delegation of South Africa in the affair of the Bondelzwart rebellion, stressing the importance of the right of petition which he called the strongest guaranty the League of Nations could offer the peoples living under mandate. He referred to the fact that the sixth committee had expressed the hope that all petitions would be addressed to the mandatory power, and said that it was necessary to find a more direct method of dealing with petitions, that governments, despite good intentions, might face debate situations. He said further that the question would be brought before the council, that the best way of avoiding injustice under the league would be to allow full liberty for complaints to the permanent mandates commission; that

this would not prevent complainants from first addressing themselves to the mandatory power.

Sir James Allen, New Zealand, replying to the Indian delegate, said that the New Zealand Government was extremely solicitous for the welfare of the natives; that the labor problem was difficult; that the New Zealand Government, in order to maintain the island of Samoa in cultivation, had been compelled to arrange for labor from China; that it had wished the Chinese laborers to bring their wives, but had been assured that it could not be guaranteed that women desiring to come were married to the laborers; that his Government was anxious to avoid any mixture of the races; that labor contracts ran only three years and there was no time for laborers to form associations with Samoan women; that the importation of such labor was absolutely necessary because the natives themselves would not work. He would ask the council, he continued, to consider the wisdom of public meetings of the permanent mandates commission before the commission sent its report to the council, and he again stressed the danger of allowing petitions to come direct to the commission without having been seen by the mandatory powers, saying that unfortunately the natives were frequently under the influence of agitators.

Sir Edgar Walton, South Africa, said it was unfortunate that the mandatory system should be debated at that meeting of the assembly; that the mandatory powers had undertaken a very difficult task at much trouble and expense; that they should have sympathy rather than criticism; that he was surprised at the solicitude of the Indian delegate for the population of South West Africa; that he would point out that there were no Indians in South West Africa. He said that the South African Government confronted a very complicated situation on account of the extremely mixed character of the population of the territory over which it had a mandate, regretting that his government had not been represented before the permanent mandates commission. He said that the administrator of South West Africa had been conducting military operations during six months of the year, however, and that no one else had sufficient knowledge or authority to give the permanent mandates commission any useful information. As to the reference to the statement of General Smuts that the C mandates meant virtual annexation, he said this was true as far as their administration was concerned, inasmuch as the natives had been put under the same laws and had the same rights as the rest of the South African population.

Lord Cecil, delegate for South Africa, joined in the praise accorded the permanent mandates commission, saying in reply to Sir James Allen on publicity that on the whole its advantages outweighed its disadvantages. As to petitions, he agreed that the greatest care must be taken not to hamper the mandatory powers; contending, however, that there was no better safeguard against oppression or misgovernment than publicity, and suggesting that petitions might be sent simultaneously to the permanent mandates commission and the mandatory powers with the understanding that the former would not consider them until it had received the observations of the latter. As to the reference of the Indian delegate to General Smuts, he said that General Smuts was the author of the covenant and of the mandatory system; that it was a fantastic paradox to suggest that he could possibly misconceive that system or desire to do anything antagonistic to its success; that the absence of a South African representative from the recent session of the permanent mandates commission was due to administrative difficulties and not to any wish to avoid criticism or investigation; that the statement of General Smuts needed no defense when understood. He said further that criticism should not be resented, that criticism and debate were necessary to make the mandatory system a reality, that they were the best sanction for good administration, that the present debate showed that the system was not a mere deception, and also showed that a real step forward for humanity had been taken.

Hon. G. E. Rich, Australia, said that the phosphate monopoly in the island of Nauru had been acquired from the



Pacific Phosphate Co. through voluntary sale; that the administration had continued to employ Chinese laborers, but in decreasing numbers, and that it was hoped they could be dispensed with entirely in the near future.

Sir Joseph Cook, Australia, said that the permanent mandates commission had made preliminary criticisms of the administration of the mandates which were considered rather severe, criticisms due to the fact that the commission did not know all the circumstances; that when they were placed before the commission it had accepted them without hesitation; that the mandatory powers welcomed the fullest investigation, since criticism came mostly from those who did not understand the difficulties surrounding the system. He said that no criticism had been made of the administration of New Guinea; that the excellent system of medical hygiene introduced there had been warmly commended by the commission; that the introduction of Chinese labor into Nauru occurred because the natives could not be induced to labor in the mines; that under the new régime full compensation was given the natives for their land and the natives were excellently treated; that it was not desired to take the right of petition from the natives but it was essential their real opinion should be ascertained, not the opinion of agitators with ulterior purposes. He added that every effort was being made by Australia to administer these islands in the true spirit of trusteeship, with the interests of the natives always and primarily in view.

The president stated that the sixth committee's report invited the assembly to note certain recommendations and observations regarding the administration of the mandates generally, and the Pacific islands and the African territories particularly.

He invited the assembly to note the declaration of Hon. G. E. Rich, Australia.

The assembly made these notations.

The assembly then adopted the resolution offered by Mr. Bellegarde on September 8 in reference to the Bondelzwart rebellion.

It also adopted the conclusions of the sixth committee regarding petitions by peoples of mandated areas, which were as follows:

1. All petitions emanating from inhabitants of mandated areas should be sent to the permanent mandates commission through the intermediary of the local administration and of the mandatory power;
2. All petitions concerning the welfare of the inhabitants of mandated areas emanating from other sources should not be considered by the permanent mandates commission before the mandatory power has had full opportunity of expressing its views.

The president announced that the committee on agenda reported that the Persian delegation's proposal that the assembly invite the council to send a commission of inquiry to the Near East be placed on the agenda and referred to the sixth committee.

This report was adopted.

The president then read a letter from the Greek delegation in reference to this proposal, expressing certain reservations. The letter was referred to the sixth committee.

*Thirteenth meeting, Thursday, September 21, 1922, 10 a. m.*

#### SLAVERY IN AFRICA

Jonkheer London, Netherlands, Doctor Nansen, Norway, chairman and reporter, sixth committee, took seats on platform.

Doctor Nansen presented a resolution that the question of the recrudescence of slavery in Africa be included in the agenda of the fourth assembly, and that the council be requested to present to that assembly a report on the information received on this subject.

Resolution adopted.

#### PROTECTION OF MINORITIES

Mr. Motta, Switzerland, reporting for the sixth committee, presented its report on protection of minorities.

In explanation of the report he said that the proposal of Prof. Gilbert Murray, South Africa, parts of which had been incorporated in the resolutions of the committee, was

based on five principles: (1) Informal intervention of council; (2) resort in certain cases to Permanent Court of International Justice; (3) despatch in other cases of permanent or temporary representatives of the league; (4) duty of minorities to act as loyal citizens of the states to which they belonged; (5) observation by all states toward their minorities of a standard of justice at least equal to that of the minorities' treaties. He said that the committee could not agree to the despatch of permanent or temporary representatives of the league or to proposal of Latvia or Finland for an international codification of the rights of minorities. It did recommend, he said, on the other hand, that the secretariat assist the council in its work of protection and furnish it with the means of ascertaining impartially how the minorities fulfilled their obligations. He added that the resolution proposed by the committee indicated a distinct advance; that, although the covenant contained no explicit article on the subject of the League of Nations, as a guardian of the peace, intervened in the question of minorities and that this was becoming one of its essential tasks; that when a dispute could not otherwise be regulated, the Permanent Court of International Justice would find a just solution; that these proposals signaled the advent of a new era.

The Maharaja Jaur Sahib, of Nawanagar, India, referred to Professor Murray's recent address affirming the necessity of spreading general contentment with the new distribution of Europe, and said that there were minorities questions outside of Europe, namely, insistent and irritating minority questions in Africa, especially the case of the Indian population under the South African Government. He appealed to the South African delegates to influence their government toward a satisfactory settlement of this question, saying that it caused discontent not only in South Africa but all over India, and expressed the hope that next year he could thank the Great Britain and South African representatives for having brought satisfaction to the just aspirations of the Indians of South Africa and Kenya Colony.

Professor Murray said in reply that it was true that minorities questions existed outside Europe; that the standard of justice in the east and the west was different, but that the time was not opportune to go into a particular case. He said that the position of the South African Government was very difficult; that it was dealing with several races in different stages of civilization and with different traditions. He said further that the case of the Indians in South Africa was covered in principle by the fourth paragraph (quoted later) of the committee resolution, in which countries not bound by the minorities treaties were asked to observe the same standards in dealing with minorities as the states signing such treaties; that Great Britain was actuated by such a spirit and had accepted the principle. He stated that the committee resolution represented a friendly attitude by the league toward all concerned; that the minorities discussion marked progress in international relations. Mr. Bellegarde, of Haiti, in the case of mandates, and Mr. Aeyer, of India, in the case of minorities, having criticized the work of a great empire without resentment from its representatives, who had shown no desire to avoid the issue, an unparalleled situation. He pointed out that the states signing the minorities treaties had naturally felt the unfairness of incurring obligations not imposed on other members of the league; that all members had accordingly been asked to adopt the spirit of these obligations, and that minorities were urged to be loyal to the states of which they were a part. The committee's resolution did not contemplate further encroachments, he continued, on the sovereignty of governments, but better relations between majorities and minorities all over the world, and a unity of outlook and patriotism in all countries with minorities problems.

Mr. Midhat Prasheri, Albania, said that it was due to the League of Nations that the rights of minorities had acquired a capital importance in international public law; that the treaties of peace and the declarations of the new states had created a positive right which should be given strength and precision; that different kinds of procedure would be neces-



sary; that when the council failed to conciliate informally it would be able to pronounce formal decision, from which an appeal could be made, but that certain periods should be fixed by the council within which appeal might be made to the Permanent Court of International Justice. He stated that the minorities section of the secretariat should be so organized as to give the council all necessary information; that a staff should be created, with the consent of states concerned, which could ascertain on the spot the real situation. He contended that the right of minorities to such procedure be formally recognized, and that if they did not secure justice from legal authorities it would be the duty of the commission of inquiry and the council to do what was necessary. As to sanctions, he held that considerable latitude should be left the council, which should be permitted to apply measures appropriate under the circumstances. He stated that the object of his observations was to consolidate peace in the Balkans; that on account of the homogeneousness of race and language the force of national sentiment and the liberty which existed for different religions Albania had no minority problem.

Count Banffy, Hungary, said that Hungary's approval of the committee's action was all the more pronounced because important Hungarian minorities existed in adjacent states; that Hungary had already suggested at the Genoa conference that the league be invited to send commissions of control into countries signing minorities treaties; that this problem had become a European problem and was of the highest importance to world peace; that Hungary had determined to work in a spirit of conciliation with the other members of the league.

Mr. Hanotaux, France, stated that the league found itself between two parties in minorities questions; that it was constrained sometimes to favor the governments and at other times to favor minorities, in order to counsel prudence and moderation in each; that minorities had always existed, but theretofore had presented questions of internal policy, as Europe had for centuries tended toward the evolution of states as strong units that to-day the endeavor was to bring diverse elements together on a different principle, which Professor Murray's proposal would facilitate. However, he continued, the committee felt that the dispatch of permanent or temporary representatives was objectionable, and that on this point as much as possible should be left to the experience and authority of the council. He added that a system had thus been founded which had already produced good results, and would work better in the future.

The assembly adopted the committee resolution on the minorities question which was in five paragraphs and composed as follows:

1. While in cases of grave infraction of the minorities treaties it is necessary that the council should retain its full power of direct action the assembly recognizes that in ordinary circumstances the league can best promote good relations between the various signatory governments and persons belonging to racial, religious, or linguistic minorities placed under their sovereignty by benevolent and informal communications with those governments. For this purpose the assembly suggests that the council might require to have a larger secretarial staff at its disposal.
2. In case of difference of opinion as to questions of law or fact arising out of the provisions of the minorities treaties, between the government concerned and one of the states members of the council of the League of Nations, the assembly recommends that the members of the council appeal without unnecessary delay to the Permanent Court of International Justice for a decision in accordance with the minorities treaties, it being understood that the other methods of conciliation provided for by the covenant may always be employed.
3. While the assembly recognizes the primary right of the minorities to be protected by the league from oppression it also emphasizes the duty incumbent upon persons belonging to racial, religious, or linguistic minorities to cooperate as loyal fellow citizens with the nations to which they now belong.
4. The assembly expressed the hope that the states which are not bound by any legal obligations to the league, with respect to minorities, will nevertheless observe in the treatment of their own racial, religious, or linguistic minorities at least as high a standard of justice and toleration as is required by any of the treaties and by the regular action of the council.
5. The secretariat which has the duty of collecting information concerning the manner in which the minorities treaties are carried out should not only assist the council in the study of complaints concerning infractions of these treaties but should

also assist the council in ascertaining in what manner the persons belonging to racial, linguistic, or religious minorities fulfill their duties toward their states. The information thus collected might be placed at the disposal of the states, members of the League of Nations, if they so desire.

#### ESPERANTO AS AN AUXILIARY INTERNATIONAL LANGUAGE; REPORT OF FIFTH COMMITTEE

Mr. Fielding, Canada, and Mr. Reynald, France, reporters, for fifth committee, took seats on platform.

Mr. Reynold read the fifth committee's report on Esperanto as an auxiliary international language, the report concluding with the following resolution, which the committee submitted for action:

1. That the report of the secretariat on Esperanto as an auxiliary international language be adopted subject to the following amendments:
  - (a) That the corrections communicated by the British delegation be made and that Chapter V of the report be omitted.
  - (b) That an annex be added to the report, consisting of the whole of the brief and impartial report made by the Paris Chamber of Commerce on February 9, 1921, of which certain passages only have been quoted.
  - (c) That the resolutions adopted by the committee be annexed to the report.
2. That questions relating to the teaching of Esperanto be referred to the committee on intellectual cooperation in order that the committee may give its opinion on the various aspects of the problem of an auxiliary international language.

Mr. Fielding, Canada, observed that the second part of the resolution had been objected to and a request made for a separate vote on the two parts.

Lord Robert Cecil, delegate for South Africa, expressed his approval of the report, especially the reference to the committee on intellectual cooperation, saying that it was this committee's duty to bring the intellectual activities of every nation into interrelation.

The first part of the resolution (1 (a), (b), (c)) was unanimously carried, the second by a vote of 26 to 2.

#### LITHUANIA'S COMPLAINT REGARDING TREATMENT OF NON-POLISH ELEMENTS IN VILNA

Jonkheer Loudon, Netherlands, Mr. Motta, reporter, sixth committee, appeared on the platform and presented that committee's report on Lithuania's complaint regarding non-Polish elements in Vilna, with the following resolution:

The assembly of the League of Nations, in virtue of its resolution of September 15, 1922:

Having heard the complaints of the Lithuanian Government relating to the treatment of non-Polish populations in the Vilna district;

And having also heard the replies of the Polish delegate to these accusations;

In view of the fact that the questions thus raised are among those with which the council, after having drawn up its final recommendation for the settlement of the Polish-Lithuanian dispute, reserved to itself, by its resolution of January 13, 1922, the right to deal, if necessary, by requesting the two governments to allow it to send representatives to the spot for the purpose of making a report.

In view of the fact that the council has already made use of the powers which it thus reserved to itself and that its intervention in this matter is in conformity with its general activities in regard to the protection of minorities:

Refers to the council for its special consideration the question which has been submitted to it by the Lithuanian Government.

Mr. Motta, Switzerland, said that the league had not to deal with the political status of Vilna, since its recommendations had been without result, but confined itself to the formal complaint of Lithuania that the administration of Vilna was not finally established, and the complaint could be dealt with by the assembly; that the complaint did not involve the question of minorities which under the treaties belonged to the council, which had reserved to itself the right to follow questions concerning the territory of Vilna from the standpoint of the protection of minorities. He declared that it had not been possible for the committee to form an opinion of the accusations formulated by the Lithuanian delegate and contested by the Polish delegate; that the Lithuanian delegate had asked in the committee that the assembly send a commission of inquiry to study the question on the spot, but the committee decided not to act because it might restrict the freedom of the council; that in the committee's view the assembly should not encroach in any way on the council which by resolution dur-



ing the current year had already appealed to the generosity of the two parties and which would follow up the matter with all necessary attention.

Mr. Sidzikauskas, Lithuania, said that the decisions of the assembly and its committees had not completely met the hopes of Lithuania, which for eight years had been in a condition not unlike a state of war; that its progress in reconstruction had been impeded; that he regretted the committee had not proposed for the agenda the question of the legal status of Vilna and of the violation and non-execution of the treaty of Suwalki by Poland, which treaty offered a serious basis for the settlement of the dispute over Vilna. He asserted that Lithuania had proposed without success to submit the question to the Permanent Court of International Justice; that the population of the disputed area, a majority being against the Polish rule, was drifting into an intolerable state; that he hoped the council would not hesitate to send there a commission of inquiry or a resident commissioner of the league.

Doctor Nansen favored a commission of inquiry by the assembly.

Mr. Askenazy, Poland, opposed the suggestion, pointing out that the majority of the sixth committee had decided it to be an encroachment on the jurisdiction of the council, an indication of lack of confidence in that body, and had decided to propose reference to the council, a decision which the speaker asked the assembly to indorse.

Lord Robert Cecil, South Africa, said that the committee had recommended that the matter be left to the council, but had indicated that it might be useful to send a commission of inquiry.

Mr. Askenazy, Poland, asked adjournment of the discussion until the next meeting.

Mr. Motta, Switzerland, insisted on the committee's proposal as it stood, pointing out that, as stated in the report, the council would be following the views of the assembly if it sent a commission, but its freedom of action remained undisturbed, and added that the resolution should be adopted with this understanding.

The resolution was agreed to.

#### INCREASE IN NUMBER OF NONPERMANENT MEMBERS OF COUNCIL

The following communication from the council was read by the president:

The council has decided to submit the following proposal to the assembly:

Article 4 of the covenant provides that the council shall consist of representatives of the principal allied and associated powers together with the representatives of four other members of the league selected by the assembly.

The council may, however, with the approval of the majority of the assembly, increase the number of nonpermanent members.

Acting under these provisions the council thinks it is desirable that the number of members of the league to be selected by the assembly for representation on the council should now be increased from four to six.

The first paragraph of article 4 is based on a certain principle concerning the number of the permanent and nonpermanent members of the council. The proposed augmentation of the number of the nonpermanent members produces a considerable modification of this principle. Nevertheless, a subsequent augmentation of the number of permanent members would reestablish the principle of which article 4 is the application without it being possible to consider that the change proposed to-day prejudiced such reestablishment.

The council asks the assembly to approve this decision, in accordance with the provisions of the covenant.

The president then placed before the assembly the following resolution:

The assembly approves the decision of the council that the number of members of the league to be selected by the assembly for representation on the council shall be increased from four to six.

This decision shall come into force immediately after approval by a majority of the assembly.

On proposal of committee on agenda the assembly placed the question on the agenda and referred it to the first committee.

*Fourteenth meeting, Friday, September 22, 1922, 10 a. m.*

#### PROCEDURE OF CONCILIATION—REPORT OF FIRST COMMITTEE

Mr. Scialoja, Italy, Mr. Adatci, Japan, chairman and reporter of first committee, took seats on platform.

Mr. Adatci stated that at the first assembly Norway and Sweden had submitted a draft conciliation agreement which had been carefully considered; that it was again taken up at the second assembly, which had directed the council to appoint a special committee to study a procedure of conciliation; that this committee had met in May, 1922, and that the council in July had adopted its report, which had been presented to the first committee of the third assembly.

He said that the proposal by Norway and Sweden contemplated a general procedure of conciliation obligatory on all league members; that the first committee had taken up the question of bringing such procedure within the framework of the covenant; that the committee had differed as to whether the procedure should be compulsory or optional, and had decided that it was better for the moment not to make it compulsory; that the committee had further concluded that the council was the organ of conciliation under the league, on whose jurisdiction there should be no encroachment.

He said further that the committee recommended, therefore, that the assembly adopt a resolution on the subject, not a convention open to signature by all members; that the draft now presented by the committee to the assembly represented the committee's unanimous action; that it traced the general lines of the system proposed, and that the committee hoped it would open the way for an agreement which could be signed by all members.

Mr. Uden, Sweden, favored the committee scheme, although it did not go as far as the Swedish-Norway proposal, and expressed the hope that further steps would follow.

The resolution recommended by the committee was adopted by the assembly. It was as follows:

With a view to promoting the development of the procedure of conciliation in the case of international disputes in accordance with the spirit of the covenant the assembly recommends the members of the league, subject to the rights and obligations mentioned in article 15 of the covenant, to conclude agreements with the object of laying their disputes before conciliation commissions formed by themselves.

The organization of these commissions, their competence, and the procedure to be forwarded before them shall be freely determined by the contracting parties. The parties are recommended in this connection to look for guidance to the provisions contained in the Hague convention of October 18, 1907, for the pacific settlement of international disputes, and in particular to the provisions concerning the hearing of witnesses, procedure by employment of experts, rogatory commissions, inspection of places, and replacement of members of the commission. The rules laid down in the following articles are recommended to them for adoption. At the request of the members concerned the secretary general may offer them the assistance of the secretariat for the conclusion of conciliation conventions.

Apart from the other means placed at its disposal by the covenant to assure the maintenance of peace the council may, if necessary, have recourse to the service of the conciliation commission formed by the parties; it may write them to bring their dispute before the commission or it may refer to the commission any dispute which may have been submitted to it by one of the parties in virtue of article 15 of the covenant. A conciliation convention made between two states of which one only is a member of the League of Nations, or of which neither is a member of the league, will be applicable subject to the procedure established by article 17 of the covenant.

The assembly expresses the hope that the competence of the conciliation commissions will extend to the greatest possible number of disputes, and that the practical application of particular conventions between states, as recommended in the present resolution, will in the near future make possible the establishment of a general convention, open to the adhesion of all states.

#### RULES

ARTICLE 1. The conciliation commission shall be constituted as follows:

Each party shall appoint two members, one from among its own nationals, the other from among the nationals of a third state. The two parties shall jointly appoint the chairman of the commission from among the nationals of a third state.

The parties may appoint the members of the commission beforehand and for a period which they themselves shall determine. They may also confine themselves to appointing only the chairman beforehand, in which case the other members shall be appointed after consultation with the chairman at the moment when a dispute arises, their mandate being limited to the settlement of such dispute.

ART. 2. Disputes which fall within the competence of the conciliation commission shall be referred to it for consideration by means of a notification made by one of the contracting parties to

the chairman of the commission and to the other party. The notification shall be communicated to the secretary general of the league.

If all the members of the commission have been appointed beforehand, the chairman shall convene the commission as soon as possible. If they have not been so appointed, the chairman shall write the parties to appoint the other members within a period laid down by the convention.

ART. 3. The conciliation commission shall meet at the seat of the league, unless the parties have fixed a different place of meeting in the convention made by them or for the purpose of a particular case. The commission, if it considers it necessary, may meet at a different place. The commission may in all circumstances ask the secretary general to render it assistance in its work.

ART. 4. Subject to the right of the parties and of the commission itself to extend this period, the conciliation commission shall complete its work within a period of six months from the day on which it first met.

ART. 5. Both parties shall be heard by the commission. The parties shall furnish the commission with all the information which may be useful for the inquiry and the drawing up of the report, and shall in every respect assist it in the accomplishment of its task.

The commission shall itself regulate all details of procedure not provided for in the convention and establish rules of procedure for the obtaining of evidence.

ART. 6. The commission shall take its decision by a majority vote of its members; the presence of all the members is required for a valid decision. Each member shall have one vote.

ART. 7. The commission shall make a report on each dispute referred to it. In proper cases the report shall include a proposal for the settlement of the dispute. The reasoned opinion of the members who are in the minority shall be recorded in the report.

The chairman of the commission shall immediately bring the report to the knowledge of the parties and of the secretary general of the league.

ART. 8. The report of the conciliation commission may be published by one of the parties before the settlement of the dispute only if the other party gives consent.

ART. 9. Each party shall pay the allowances of the members of the commission which it has appointed and shall pay half of the allowances of the chairman.

Each party shall bear the costs of procedure which it has incurred and half of those which the commission may declare to be joint costs.

#### REPATRIATION OF PRISONERS OF WAR—REPORT OF FIFTH COMMITTEE

Mr. Fielding, Canada, and Mr. de Brouckere, Belgium, chairman and reporter, fifth committee, advanced to the platform, and Mr. de Brouckere read the report of the fifth committee on repatriation of prisoners of war, recommending adoption of Doctor Nansen's report.

The president remarked that the assembly would doubtless approve the report and its conclusion, which was as follows:

The fifth committee, in recommending to the assembly the adoption of Doctor Nansen's report, desires to state that in the accomplishment of his mission Doctor Nansen has indeed deserved well of humanity.

The remark was received with applause and the report adopted.

#### POSITION OF GEORGIA—REPORT OF SIXTH COMMITTEE

Mr. Loudon, Netherlands, Mr. Lapointe, Canada, chairman and reporter, sixth committee, were given seats on the platform.

Mr. Lapointe, presenting the sixth committee's report on Georgia, quoted the resolution presented by Mr. Brouckere, Belgium, on September 18, 1922, which was as follows:

The assembly of the League of Nations, moved by the present unhappy position of Georgia as a country invaded and occupied contrary to the wishes of its inhabitants, invites the council to follow attentively the course of events in this part of the world so that it may be able to seize any opportunity which may occur to help in the restoration of this country to its normal condition.

Mr. Brouckere said that all members of the sixth committee had indicated deepest sympathy with the proposal, but certain ones, especially Lord Cecil and Mr. Fisher, had urged amendments. It was feared, he added, that the original wording might seem provocative to the Soviet Government and might render Georgia's position still more difficult, and it was felt that political or military action was suggested by the original terms, action which it would not be possible for the league to take. He said further that after discussion the committee decided to present the resolution in the following terms:

The assembly of the League of Nations, having considered the position of Georgia, invites the council to follow attentively the course of events in this part of the world, so that it may be able to seize any opportunity which may occur to help in the restoration of this country to normal conditions by any peaceful means in accordance with rules of international law.

Mr. Brouckere stated that the resolution as presented to the assembly contained both promise and counsel; that the Georgian people were invited to note that the league had instituted a method of settling international disputes otherwise than by resort to war; that meanwhile they should avoid desperate measures and should realize that premature and violent conduct might cause still greater disaster.

The assembly adopted the resolution presented by the sixth committee.

#### ARMENIA—SIXTH COMMITTEE

Presenting the sixth committee's report on Lord Cecil's resolution on Armenia of September 19, 1922, Mr. Motta, Switzerland, quoted the resolution, which was as follows:

The assembly notes with gratitude the action taken by the council with respect to Armenia and declares that it is of the opinion that in any peace with Turkey it should be an essential condition that a national home should be provided for the Armenians and requests the council to take all steps which it may think useful to secure this result.

The speaker said that the sixth committee agreed with the substance of the resolution, but desired to modify its terms by omitting the provision that a national home for Armenians should be an essential condition in any peace with Turkey; that the league should avoid the appearance of a belligerent, or of political action; that it should take the humanitarian viewpoint, hoping that Armenia came within article 22 of the covenant, which mentioned certain communities formerly belonging to the Turkish Empire which had reached a state of development where their existence as independent nations might be recognized.

He said further that out of a total population of about two and a half millions only 300,000 Armenians in Turkey and 500,000 Armenian refugees remained; that it had been doubted whether it was wise to renew a recommendation which on a former occasion had proved futile; that he believed, however, that it was the league's duty to proclaim again its solicitude for the Armenians.

Lord Cecil, representing South Africa, spoke of the action on Armenia by the first and second assemblies, pointing out that in 1920 a revolution in Armenia had prevented intervention by the assembly; that warfare continued through 1920 and 1921; that in 1921 the assembly was obliged to confine itself to the request that in any treaty of peace for the settlement of the Near East a national home should be given the Armenians; that the war continued through 1921 and 1922, only a small remnant of Armenians now remaining in Armenia. He contended that the league was bound to intervene, and not entirely on humanitarian grounds; that the league existed primarily to secure world peace, either by direct efforts to end disputes between nations or indirectly by promoting international cooperation; that the league policy toward Armenia belonged to the same order of ideas as to its policy for protection of minorities. He stated that the present situation was dangerous, necessarily involving constant pressure of western public opinion for intervention in the Near East; that outside intervention in any country was to be undertaken only as a last resort; that the only alternative of the national home policy was the ruthless policy of extermination adopted by Talaat Pasha.

The resolution as amended and presented by the sixth committee was adopted.

#### STATUS OF EASTERN GALICIA—REPORT OF SIXTH COMMITTEE

As reported for sixth committee on the subject of Galicia, Mr. Lapointe, Canada, said that the committee held that the problem of eastern Galicia had not changed since the second assembly; that the two parties had recognized the importance of the earliest possible solution, though differing as to means; that the committee presented the following resolution:

The assembly of the League of Nations renews its wish, expressed in the resolution adopted by the second assembly on Sep-



tember 27, 1921, that the council of the league draw the attention of the principal allied and associated powers to the desirability of determining at an early date the status of eastern Galicia.

#### Resolution adopted.

#### WITHDRAWAL OF PERSIAN PROPOSAL FOR PROTECTION OF CIVILIAN POPULATIONS OF NEAR EAST

The president announced receipt of a letter from the Persian delegation, stating that the international committee of the Red Cross was taking active steps to relieve the civilian populations of the Near East on the lines of the delegation's proposal to the assembly on September 19; that accordingly the proposal was withdrawn, and the thanks of the delegation proffered to the international committee of the Red Cross and its president, Mr. Adar, for their solicitude for the Moslem and Christian populations of the Near East.

#### LORD BALFOUR'S PROPOSAL FOR AMENDMENT OF ARTICLE 14, RULES OF PROCEDURE

The president announced receipt of a proposal by Lord Balfour for amendment of article 14, rules of procedure, reading as follows:

The general feeling in favor of strict economy in connection with the work of the league renders the amendment of rule 14, paragraph 2, of the rules of procedure, desirable. The following modification is proposed:

#### Present text:

2. The assembly shall not decide items on the agenda in full meeting until the report of a committee upon them has been presented and circulated, unless the assembly itself, by a two-thirds majority, determines otherwise.

Resolutions involving expenditure shall not, however, be voted by the assembly before the financial committee shall have expressed its opinion on the advisability of the proposed expenditures with regard to general budgetary resources.

#### Proposed text:

2. The assembly shall not decide items on the agenda in full meeting until the report of a committee upon them has been presented and circulated, unless the assembly itself, by a two-thirds majority, determines otherwise.

Reports by a committee involving the expenditure of money must indicate whether the expenditure will constitute part of the general expenses of the league or whether it will be recovered from the members of the league particularly concerned.

Reports by a committee other than the financial committee recommending action which will involve the expenditure of money, of which the amount is not specified, shall before submission to the assembly be referred to the financial committee, in order that there may be prepared and submitted to the assembly with the report in question as close an estimate as time and circumstances allow of the amount of expenditure involved.

Furthermore, no resolution involving expenditures shall be voted by the assembly before the financial committee shall have expressed its opinion on the advisability of the proposed expenditure from the point of view of general budgetary resources.

The assembly referred the proposal to the sixth committee.

*Fifteenth meeting, Saturday, September 23, 1922, 10 a. m.*

#### AMENDMENT OF ARTICLE 10 OF COVENANT: REPORT OF FIRST COMMITTEE

Mr. Sciajola, Italy, chairman first committee, Mr. Struycken, reporter, came to platform. Presenting the committee's report, Mr. Struycken said that some league members thought article 10 the most valuable article in the covenant, that others deemed it a source of grave risks and responsibilities hurtful to the league; that opinions varied as to the legal meaning of this article and its relation to other articles of the covenant.

The Canadian delegation, he continued, had first asked for the elimination of the article, but had since proposed to amend it so as to remove all doubt as to its meaning, while the committee had decided to postpone the subject for further consideration and offered the following resolution:

The assembly of the League of Nations decides that the Canadian proposal with regard to article 10 of the covenant shall be adjourned until the fourth assembly in order that the subject may be considered in all its bearings. The assembly leaves it to the council to decide on the steps to be taken to ponder in a detailed study of the Canadian proposal before the meeting of the fourth assembly.

Mr. Barthelemy, France, said that France favored the article, but the French delegation had agreed that it be referred to the fourth assembly for examination; that from the French viewpoint this article was an essential declaration of a new international principle; that articles 16 and 17 of the covenant contained the practical details of the

application of this principle; that article 10 did not compel league members to come with all their forces to the assistance of a member unjustly attacked; that they might remain outside the struggle provided they had met their obligations under articles 16 and 17. He remarked further that the absence of specific military obligations under article 10 was recognized in Lord Cecil's proposal for a mutual treaty of guaranty; that though not contained in the letter the principle of the guaranty was in harmony with the spirit of article 10; that this article had been wrongly interpreted as a conservation of boundaries as they stood; that it merely said that frontiers must not hereafter be altered by force but only as a result of peaceful deliberations under league auspices. He gave it as his personal view that if article 10 had to be modified no steps should be taken in this direction except in agreement with the United States as a member of the league; that the elimination of the article would bring in no new state and would alarm some of the new states which had become league members; that it would be for the council, when faced with an actual controversy, to interpret article 10, subject to the control of the assembly.

Mr. Fielding, Canada, remarked that no proposal for the repeal of article 10 was before the assembly; that such a proposal had been made by a Canadian delegate to the first assembly, but the present Canadian Government now admitted that this could not reasonably be done; that the Canadian delegation, however, deemed article 10 in its present form ambiguous; that the committee of jurists appointed to study article 18 and article 10 had as well taken the same view and had expressed the hope that an interpretative resolution of the assembly might abolish all doubt as to its exact meaning; that it was necessary to ascertain whether article 10 gave the council the right to issue proclamations of war; that the Canadian delegation did not think the council had such right and deemed it necessary that all doubt on this point be removed.

#### Resolution adopted.

#### AMENDMENT OF ARTICLE 18 OF COVENANT, FIRST COMMITTEE'S REPORT

Mr. Zahle, reporting for first committee, came to the platform and stated that he agreed with Mr. Fernandes, reporter of first committee to the second assembly, on article 18; that Mr. Fernandes had said that article 18 contained one of the essential principles of the league, which should be neither suppressed nor limited.

The president then submitted the resolution of the first committee on the amendment of article 18, as follows:

Considering that, according to the information furnished by the secretariat, the practice of presenting treaties and international engagements for registration and for publication is becoming more and more familiar to the governments of members of the league and desiring to profit by experience gained over a longer period before reopening the discussion on a possible amendment of article 18 of the covenant:

The assembly decides to postpone such a discussion to a future session of the assembly.

#### Resolution agreed to.

#### INDEMNITIES FOR CERTAIN JUDGES AND ASSESSORS OF THE PERMANENT COURT OF INTERNATIONAL JUSTICE

Mr. de Palacios, Spain, reporting for first committee, submitted its report on indemnities for certain judges and assessors of the Permanent Court of International Justice and offered for the committee the following resolution:

The assembly of the League of Nations having considered proposals made to it by the council in accordance with article 32 of the statute of the Permanent Court of International Justice, accepts the proposals of the council subject to certain changes as to the amounts payable and decides as follows:

1. A judge sitting in the Permanent Court of International Justice, who has been selected in accordance with article 31 of the statute of the court and who is not a deputy judge, shall be granted from the funds of the court a daily duty allowance and a daily subsistence allowance and repayment of his traveling expenses, according to the rates and conditions applicable to a deputy judge taking part in a session of the court.

2. Technical assessors summoned to assist the court in accordance with the provisions of article 26 of the statutes of the court shall be granted from the funds of the court a daily subsistence allowance of 50 florins during the period for which their functions oblige them to reside at the place at which the session is held, unless they habitually reside there, or, if they reside at such

place, a daily subsistence allowance of 25 florins; and further, the necessary traveling expenses of these assessors shall be refunded them out of the funds of the court.

3. Technical assessors sitting in cases connected with transit and communications and, in particular, cases coming under part 12 (Ports, waterways, and railways) of the treaty of Versailles and the corresponding parts of the other treaties of peace referred to in article 27 of the statute of the court shall be treated in the same manner as the assessors referred to in paragraph 2 above, if they sit by virtue of a decision of the court.

If the technical assessors sit at the request of the parties, then allowances and traveling expenses shall be borne by the parties in accordance with rules to be made by the court.

Resolution adopted.

PROPOSED AMENDMENT TO ARTICLE 1, RULES OF PROCEDURE OF ASSEMBLY

The president stated that Mr. Hanotaux, France, and Mr. Scaepola, Italy, proposed to amend article 1, assembly rules of procedure, so that the assembly's annual session might begin on the third Monday in September instead of the first, as was at present required, and suggested reference to first committee.

The president's suggestion agreed to.

*Sixteenth meeting, Monday, September 25, 1922, 10 a. m.*

INCREASED NUMBER OF NONPERMANENT MEMBERS OF COUNCIL

Mr. Lapointe, Canada, presented the first committee's report proposing immediate increase of number of members of league chosen by the assembly for representation on the council from four to six.

Mr. Struycken, Netherlands, said that the increase would profoundly modify the composition of the council, giving the majority to the nonpermanent members; that the council should be based on the principle of selection, not the democratic principle; that there was danger of hampering its action; that the desire to enlarge the council was due to temporary motives and present circumstances. He said it was true that the league should take account of changes that occurred and groups formed in the development of political relations, but should not be allowed to fall under particular influences; that its principal object was the progressive subordination of national ambitions to the universal and lasting ideas that lay at its base; that it would form an undesirable precedent to make this change in the council without following the procedure laid down for the revision of the covenant.

Mr. Barthelemy, France, remarked that the council and the first committee had felt the force of this reasoning, and had stipulated in naming the reasons for the change that the organic principle of the covenant as to the numerical relation between permanent and nonpermanent members was only temporarily abandoned.

Mr. Burgos, Panama, conceded that the great powers, with the larger responsibilities, should have superior rights, but contended that the fact that the five great powers could permanently dominate the league by means of the council weakened the confidence which all the members should have in the league, asking why the assembly which could nominate the four small powers on the council should not be entrusted with the same right as to the great powers, and stating that he submitted this idea to the committee on amendments to the covenant.

The committee proposal was accepted.

ARMENIAN AND GREEK REFUGEES

Lord Balfour, British Empire, stated that the British Government had been advised of the danger of some great calamity to the large number of refugees, Armenians and Greeks, at that time without shelter and food in Smyrna; that he had discussed the matter with Doctor Nansen, and that two things were necessary, transportation of refugees to a place of safety and food supplies; that the British Government would give £50,000 if the other governments would produce a like amount. He said that Doctor Nansen's organization could handle the situation; that ships were being chartered, and Doctor Nansen had taken steps for food supplies; that he urged the delegates from Persia, whose attitude was strictly neutral in reference to the unhappy events in the Near East, to inform, if possible, the

other Moslem powers of the general feeling of the assembly in this matter.

Mr. Ader, Switzerland, as president of the international committee of the Red Cross, supported Lord Balfour, saying that the international committee had already sent representatives to Constantinople, Smyrna, and Brusa to report on the situation and to bring to the refugees the assistance which the British Red Cross and the Union Internationale de Secours had put at the committee's disposal; that a representative had also gone to Athens to help the British Government in assisting unfortunate victims at present dispersed throughout Greece and the islands.

Mr. Hanotaux, France, said that his government had already aided in relieving refugees through the French fleet and the French authorities; that the league council had already interested Doctor Nansen's office at Constantinople; and that he seconded Lord Balfour's appeal.

Doctor Nansen, Norway, observed that it was first necessary to take the refugees from Smyrna to some Greek island; that he had asked the Bulgarian Government for a shipload of flour and believed Mr. Stambouliski (Bulgarian premier) had promised his assistance; that he was asking his representative, the assistant high commissioner of the league at Constantinople, to go at once to Smyrna to see what could be done to save the lives of the refugees; that he joined Lord Balfour in asking the Persian delegation to approach the Turks, if possible, on behalf of the league's position in this matter; that he appealed for cooperation to league members and the general public.

Mr. Radeff, Bulgaria, announced that Bulgaria was already supporting nearly 200,000 refugees in her territory; would do her utmost to assist Doctor Nansen, steps already having been taken to that end.

Prince Arfa-Ed-Dowleh, Persia, informed the assembly that Persia is the only Moslem state represented in the assembly; was especially grateful for the confidence and esteem expressed by Lord Balfour; that Persia had friendly relations with both belligerents and was prepared to utilize such position to act as intermediary in facilitating a great humanitarian project.

Miss Vacaresco, Rumania, on behalf of all women throughout the world supported Lord Balfour's appeal.

Sir James Allen, New Zealand, offered this resolution:

The assembly, having heard the statement of Lord Balfour and recognizing the extreme urgency of bringing effective aid to the refugees in the Near East, for which purpose financial assistance from the various governments would be of the greatest value, decides that its members will at once place the situation before their respective governments, recommending an immediate and adequate financial contribution to Doctor Nansen's organization.

The proposer added that New Zealand would contribute £1,000 to the relief work.

Resolution adopted, the president, on behalf of the assembly, expressing gratitude for the British Government's generous offer, and his satisfaction that the delegates would at once communicate with their governments.

TRAFFIC IN WOMEN AND CHILDREN—FIFTH COMMITTEE'S REPORT

I ask that the proceedings under that title be printed without reading.

The VICE PRESIDENT. Without objection—

Mr. MOSES. Just a moment, Mr. President. Does it have to do also with the Nansen experiment in Greece?

Mr. SHEPPARD. No; it does not. It is another title altogether, and I am trying to finish it.

Mr. MOSES. Just why did the Senator want to do that at 10 o'clock p. m., may I ask?

Mr. SHEPPARD. There has been a unanimous-consent agreement to recess.

Mr. MOSES. I understand that, but to-morrow will be another day, and the Senator may go on then.

Mr. SHEPPARD. I wish to finish to-night, if I can.

Mr. MOSES. Mr. President, if the Senator will permit me, I do not think he can wholly illuminate me on some of the things that are here spoken of as to which I should like further information.



Mr. SHEPPARD. I will do the best I can. Mr. President, I renew my request that the proceedings under the title "Traffic in Women and Children" may be printed without reading.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

TRAFFIC IN WOMEN AND CHILDREN—FIFTH COMMITTEE REPORT

Mr. Fielding, Canada, chairman and Mrs. Coombe-Tennant, reporter, fifth committee, appeared on platform, the latter presenting the committee's report on the traffic in women and children, and offering for the committee these resolutions:

"The assembly decides:

"1. That the report of the advisory committee on traffic in women and children be adopted.

"2. That in view of the fact that the system of State regulation which exists in certain countries is thought in many quarters to encourage the traffic in women, the advisory committee should be asked by the council to consider whether, pending the abolition of the system, it could be agreed that no foreign woman should be employed or carry on her profession as a prostitute in any licensed houses and that the recommendations of the advisory committee on the subject should be included in its next report to the council."

Mrs. Coombe-Tennant pointed out how intimately the league's entire work affected women, how much of it related to matters where women had practical experience and special knowledge, and appealed to the nations without women among their delegates to consider the matter of including them in order to make the assembly more truly representative of the people as a whole and to create among their own women a deeper interest in the league.

It had been often urged in the assembly, she said, that the force of the league rested on public opinion, and she then referred to the great share of women in forming public opinion in all countries, including those in which they had not taken a large share in public work. She said that it was the mother who molded the minds of her children, the citizens of to-morrow; that in every country the minds of women were a great power, though sometimes inarticulate; that she appealed to the women of all nations, especially of the states members of the league, to be active in the cause of peace and the league, and therefore, to study the questions with which the league dealt and on which world peace depended. She stated that now was the time for women in all countries to come forward and make sacrifices, if necessary, for peace, which, however severe, could not approach in severity the sacrifices of war; that the horrors of war might pass from the minds of men, but would never pass from the minds of mothers who gave more, far more, than life; that there was a passionate demand in the hearts of women that a way of settling international disputes, other than war, be found; that an instrument was needed for the expression and execution of that demand, and that the League of Nations was that instrument.

She added that if the league was to reach its full authority and force, it must become, in some true sense, a league of mothers, because it was through the women of the world that the great driving force could be given the league, a force which would sweep it on to achieve its purpose—a most difficult task, one that had baffled every age.

Viscount Chelmsford, India, correcting a statement in the report, said that the Indian Legislature had ratified the convention on the traffic in women and children, and that his government was taking steps to give it effect.

Mr. Sokal, Poland, said that prohibition of employment of foreign women in licensed houses could be brought about only by an international convention, by the pending resolution the assembly was asked to request the council to ask the advisory committee on traffic in women and children to study this question, the results to be reported to the fourth assembly—that the Polish delegation deemed the proposed measure an effective one.

Mrs. Dale, Australia, supported the measure relating to foreign women, saying that Mr. Sokal was its author, and called attention to the fact that the resolution presented the measure preceding the abolition of the system of licensed houses. She added that she could not have supported any resolution based on the assumption that the system of regulation was necessary or desirable.

The Count de Gimeno, Spain, observed that public opinion in Spain was divided on the subject of licensed houses; that he would, therefore, abstain from voting, although as a medical man he favored the measure.

Resolution and report approved, Spanish delegation not voting.

Mr. SHEPPARD. Mr. President, I now come to the—  
*Seventeenth meeting, Tuesday, September 26, 1922, 10 a. m.*

REDUCTION OF ARMAMENTS

Mr. de la Torriente y Peraza, Cuba, chairman, and Lord Robert Cecil, South Africa, reporter, third committee, took seats on the platform.

Presenting the report of the third committee on reduction of armaments, Lord Cecil said that the league by article 8 of the covenant was assigned the duty of formulating practical schemes for armament reduction to be submitted to the

governments for their final decision; that the temporary mixed commission had already assembled important statistics and secured from the governments statements of their national requirements, which in some instances not only gave detailed particulars of their armaments but also stated the broad reasons for their necessity; that these statements showed that many hundred millions of pounds and many millions of men were still required to give the nations a sense of security, entailing an enormous economic strain on the finances of the world.

He stated further that the governments had been asked to distinguish between armaments required to resist aggression and for maintenance of internal order; that the latter purpose called for a very small fraction of the total forces, thus proving that a vast price was being paid for international suspicion; that a scheme of reduction would require the establishment of a unit of military strength to serve as a standard measurement for land armaments, the number of men being no longer a satisfactory criterion; that a unit might be found by combining the factor of men with the factor of budgetary experience; that the third committee asked the assembly to authorize the temporary mixed commission to pursue its inquiries and appealed to the governments to aid the commission in its work.

He observed that naval armament presented a simpler problem than land or air armaments; that the strength of national navies depended on the number of capital ships, and that this could not be concealed; that the league's work had been simplified by the Washington conference, when the most important step ever made toward disarmament had been taken; that the third committee proposed that the council call an international conference of all States, whether league members or not, to consider the extension of the principles of the Washington treaty to the non-signatory states; that the basis of this treaty was the status quo and a 10-year holiday from building; that it was clear, however, that there could not be too great an application of these principles; that there were states with armaments so small as not to be regarded as sufficient security, others without naval armaments at all; that all these questions should be left to the conference.

He contended that reduction of land armament was complicated by the possibility of sudden incursions by land; that it was not enough to provide, as in article 16, for the punishment of the aggressor, for the reason that permanent harm might be inflicted during aggression; that it was necessary to have some alternative security; and that the committee had handled this idea in its resolutions relating to a treaty of mutual guaranty.

He advanced the idea that the treaty of mutual guaranty was intended to promote disarmament and must not become a defensive alliance of the old kind; that disarmament would be defeated if the old practice of rival groups of nations allied among themselves but united against other nations should be reestablished; that the committee had provided two safeguards against this danger—first, the provision opening the new guaranty to all nations; second, the provision by which the guaranty and armament reduction would go together; that in certain cases there might be agreement to partial disarmament without a guaranty, as in the case of the Scandinavian countries or the South American countries under an agreement to be reached at the congress soon to meet at Santiago; but that no general reduction of armaments would be possible without a guaranty, while, on the other hand, nations could not be fairly expected to undertake the guaranty unless general disarmament should accompany it.

He asserted that the guaranty was designed to take out the roots of international suspicion; that it was part of the moral disarmament which must precede material disarmament; that one obstacle to moral disarmament was the unrest in Europe due to economic disorganization; that international debts and operations thus affected indirectly the question of disarmament, and the third committee had stressed the need of a settlement of these things.



He reported further that the third committee had considered a draft scheme for control of private manufacturers of arms and recommended that it be studied by the temporary mixed commission; that a melancholy story attached to the arms traffic; that if three years before a proper control of the traffic had been established, much of the recent fighting might have never taken place; that according to a report in the press the Moscow authorities were bringing considerable quantities of arms from western countries which were thus arming a government which constantly declared itself the enemy of all the existing governments of the world; that a convention for control of the arms traffic had been accepted by the powers in Paris in 1919 and the assembly at every session had strongly urged the governments to ratify it; that practically all the important nations had agreed to ratify, provided all the others ratified; that the only important exception was the United States of America, the United States Government having declared in the preceding July that it could not ratify; that in view of this declaration it was for the moment impossible to control the arms traffic; that it was hoped the Government of the United States would say why it objected to the convention and advise the league on what conditions it would cooperate.

He directed the attention of the assembly to the fact that in aviation and air attack immense progress had been made; that effective control was difficult on account of the small size of the units and the ease with which commercial airships and aeroplanes could be used for military purposes, but little alteration being necessary; that headway might be made by controlling air budgets and number of persons trained to man the air fleets of the world, and that it also might be possible to make air forces the league's special weapon in performing its duties under the covenant.

He called attention to statements by experts that the effectiveness of bombs, dropped by aeroplanes, had been increased tenfold; also to the possibilities of poison gas and germ warfare, and said that while the treaty of Washington prohibited these methods, its provisions gave but little protection against these terrible possibilities. He predicted that in a future war the world's greatest cities could be made uninhabitable, the only effective reprisal being similar action against the cities of the aggressive nation. He told the assembly that the third committee had offered but one suggestion in regard to the inevitable increase in the horrors of war; that it had asked that a small committee be appointed to gather the known facts so that the peoples of the world might know what to expect.

He told the assembly in conclusion that the third committee proposed that the temporary mixed commission should be reappointed to continue its work; that it was hoped the committee would receive the assistance and support of all the league members; that the nations of the world must perish or disarm.

Mr. Sciajola, Italy, asserted that disarmament for the first time had been dealt with in all its complexity, this being largely the result of European public opinion, which had been deeply outraged by the Great War; that Lord Cecil's proposal was vague and general because certain conditions were necessary as a preliminary to disarmament; that no armament reduction was possible without a corresponding moral guaranty, a principle which was embodied in the treaty of mutual guaranty which could not immediately become a general treaty, but should be open to all States from the outset; that a close connection existed between disarmament and the economic situation, which was producing extensive unrest; that Italy was prepared to accept the proposal of Mr. de Jouvenel; that Italy had always contemplated a solution of the questions of reparation and interallied indebtedness viewed as a whole; that the league could help in such matters, however, only when the interested governments requested it to act; that the moral value of the proposals now submitted to the assembly was increased by the fact of their development within the limits of a universal organization; that they marked a step toward moral disarmament.

Mr. de Jouvenel, France, complimented the Italian delegation on its part in the discussion of disarmament, asserting that the assembly's adoption of the scheme before it would be one of the greatest victories yet achieved for idealism. He claimed that he could not admit that human nature was the only element in the universe which man could not control; that in order to establish peace in the world it was first essential to believe in it; that the idea must be converted into reality; that for centuries individuals and nations had trusted force as the only means of security; that justice had been created gradually; a police system had been set up, and a broader conception of security attained. He alluded to the Permanent Court of International Justice, and held that the treaty of mutual guaranty was the beginning of a system of sanctions pending the creation of an international force to preserve international right.

He told the assembly that three views of the treaty of guaranty had been presented: (1) That of Lord Cecil, who wished to begin with a general treaty binding all countries, leading them to disarm in the same proportion, and giving all an effective guaranty; (2) that of the Scandinavian countries which favored general disarmament with the treaty of guaranty less extensive in scope, based on the theory that countries might undertake to keep the peace without undertaking to enforce respect for the peace from other nations; (3) that of Latin origin, which held that the general treaty should be preceded by particular treaties, lest a single nation's refusal might imperil the cause of disarmament, the particular treaties not resembling pre-war alliances but to be accessible to all nations. He claimed that it was essential to a complete victory for civilization that all minds should abandon the idea that might makes right, that all traces of invasion be obliterated and that it be made impossible; that for this purpose France, true to her traditions, had made her suggestions.

He concluded in the following words:

What, then, is the idea which must be rooted out of men's minds? It is the idea by virtue of which political, financial, and economic methods culminate in invasion. We have not only to secure ourselves against the invasion of to-morrow; we have to efface the marks of the invasion of yesterday. Reparations must follow the footsteps left by invasion.

If we wish to avoid the war of to-morrow we must blot out the last traces of the war of yesterday. That is why the French representative made that first proposal to rid Europe of the increase of armaments which is the legacy of the great war; to begin by reducing the total military, naval, and air expenditure of every nation to the 1913 figure, calculated by the methods of the temporary mixed commission; and he suggested in the second place the method which consists in joining together the problem of reparations and the problem of inter-allied debts in order to arrive as soon as possible at a solution of the whole economic and financial question which weighs down Europe and, after giving the nations relief from the burden of armaments, to free their minds from anxiety with regard to their economic and financial future. The committee (third) adopted both these proposals and submits them to the assembly.

In this way we hope to have served well the cause of peace to which no country is more attached than my own. The more strongly my country has built up its national unity, the higher it has raised it, the wider the prospects of humanity it has perceived, and the more it has understood that its real destiny, inherent in its nature and history, is to carry from continent to continent, from sea to sea, the benefits of civilizations ignorant of one another and thus to increase the thought of each people by the thought of all the others in the hope of compounding one day out of the spirit of every age, and the light of every clime the atmosphere which the modern man requires to draw the breath of life.

Last year at the assembly my friend and colleague, Mr. Noblemaire, who is kept from us by illness, told you how fierce was France's hatred of war. His words found an echo in your hearts. I ask you, gentlemen, to keep them in your memory and remember that, even if all the other nations forget the war, there is one that could not forget it, for she is the guardian of your graves, Great Britain, of your dominions; of yours, Italy; of yours, Belgium; and of yours, Portugal, and of the graves of all the volunteers who came from most of the countries represented in this assembly.

During the war we acted as the advance guard of civilization but we know that our victory was only possible because we were on the side of right, because one by one the civilized nations took their places at our side, and at last one day we heard the cry, sublime in its heroism and its gratitude: "Lafayette, we are here."

Conscious of having constituted the first international force to enlist in the service of peace, mounting guard around the



treaties, we await relief and declare that the cause of peace will be definitely won in our eyes on the day when mankind by bringing us the treaty of mutual guaranty will say to us in turn: "France, we are here."

Assembly adjourned until afternoon with armament discussion pending.

*Eighteenth meeting, Tuesday, September 26, 1922, 3.30 p. m.*

CONTINUED DISCUSSION OF THIRD COMMITTEE'S REPORT ON ARMAMENT REDUCTION

Baron Hayashi, Japan, announced that the Government and public opinion of Japan sincerely desired armament reduction which had now emerged from the domain of theory and was on the way to practical realization; that the Japanese Government had promulgated its scheme for land-armament reduction, and was about to place many officers on the retired list; that Japan had been proud to participate in the Washington conference on naval armament; that he hoped the assembly would support the third committee's recommendations which had the warm approval of the Japanese delegation.

Mr. H. A. L. Fisher, British Empire, agreed with Lord Cecil's speech, saying that reports of the temporary mixed commission and the third committee contained suggestions eminently practical, that difficulties were not concealed, and would be carefully studied during the coming year so that a definite scheme might be presented to the fourth assembly. He averred that the English race had formed a great civilian nation, content with a small force to protect its empire; that the British Empire had entered the war of 1914 because it was shocked by the violation of Belgian neutrality and was convinced that France had no aggressive designs, and would so act again if France were again similarly menaced; that after the war the British Empire began the immediate reduction of the great army it had created; that on August 1, 1914, the British Army, excluding troops from India and the Dominions, numbered 244,795; on August 1, 1918, it numbered 4,500,871; on July 1, 1922, it numbered 232,568; that the expenditure on the army from 1913 to 1914 was £34,000,000; from 1918 to 1919, £835,000,000; from 1922 to 1923, £79,000,000; that in connection with the last figure it should be recalled that the private soldier's pay had been trebled; that Great Britain had 60 battleships in 1914, 18 in 1922.

He said that the British attitude toward the treaty of mutual guarantee would depend largely on the number of states adopting it and on the temper and tone of continental public opinion; that he agreed especially with the part of the report dealing with reparations and interallied debts; that France was undoubtedly entitled to reparation; that the problem of reparation and war debts must be treated as a whole, and that he believed with Mr. Scialoja that the league could not intervene unless requested by the allied and associated powers; that if they failed to settle the matter the league should be asked to take it up; that in any event German cooperation and good will were essential; that he appealed to German business men for aid in solving a problem affecting all Europe and retarding disarmament.

He declared that with a little good will among nations the practical proposals of the report could be carried through; that the proposals regarding manufacture of and traffic in arms were practicable but could not be accomplished without the cooperation of the United States; that the treaty of mutual guarantee was based on a logical and comprehensible plan, and that its establishment would create the needed atmosphere of peace.

Mr. Hymans, Belgium, declared that Lord Cecil, to whom he paid tribute, was both an idealist and a practical statesman; that he approved the report and resolutions, which recognized that the league could do no more than draw up plans for submission to the governments and which combined armament reduction with the principle of guaranties; that Belgium, one of the most exposed countries of Europe, was a peaceful country, but desired security; that the proposed plan was no vain formula, but a system of guaranties that would gradually bring disarmament; that experience would show whether a general treaty or regional agreements should be made; that the scheme made allow-

ances for special cases and defined the obligations of signatories; that 1-sided disarmament was dangerous, and that states with natural means of protection should keep a sufficient force to meet international obligations.

He declared further that the necessity for moral disarmament was universally realized; that this was difficult because war had left its mark on men's minds as well as on the face of the world, and the thing that changed least was the nature of man; that some memorial should be retained, especially that of the war's result, and that time would deal with the rest; that certain political problems, including reparations, should be settled, and that the league should follow them in order to help if asked; that the league, backed by public opinion and without prejudicing the spirit of patriotism, had indicated the path to be taken.

Mr. Loudon (Netherlands) told the assembly, after praising Lord Cecil, that he hoped the third committee's resolutions would be adopted; that armament reduction must be general to be effective; that until general reduction could be obtained it was necessary to work toward moral disarmament by restoring confidence of the nations; that particular treaties would help in this regard, but public opinion in many countries did not favor combination of armament reduction with treaties of guaranty; that these two questions had been treated separately by the first two assemblies and the Washington conference; that the discussions of articles 10 and 16 of the covenant had shown that many countries were apprehensive regarding treaties of mutual guaranty; that no means calculated to secure disarmament, however, should be opposed; that the settlement of certain economic and financial questions was essential to the restoration of confidence between nations; that he had confidence in the temporary mixed commission.

The Count de Gimeno [Spain] dwelt on the horrors of the war, saying, however, that it had given birth to the League of Nations, which would live if it met circumstances in accordance with that moral force which was its only weapon; that everybody wanted peace and understood that disarmament must be had so far as permitted by national safety; that peace would never come, however, until peoples ceased to hate each other; that the league could rely on the loyal help of Spain, a peaceful country.

The Emir Zoka-Ed-Dowleh [Persia] indorsed the committee resolutions, and expressed the hope that next year the representatives of the great powers could be thanked for having kept the promises just made, stating that Persia had always maintained strict neutrality, and thought armament reduction the best way to prevent war; that she had confidence in the league, and kept only a limited army, just sufficient to keep order and repel possible attacks; that she was ready, however, to reduce her military forces to the scale arranged by the league.

He agreed that the treaty of guaranty would remove the objections of nations hesitating to disarm; that the league must be universal; that it was now the time for a practical solution of the problem of a more widely extended scope for the league; that the league should recommend that the states carry on active propaganda for peace in their schools and should itself carry on propaganda; that the temporary mixed commission had so recommended, but the assembly had voted no money therefor; that the league might summon a conference at Geneva, including not only league members but the United States, Russia, Germany, and Turkey.

Mr. Munch, Denmark, voiced the desire that the temporary mixed commission would consider the resolution on the suppression of universal and compulsory military service passed by the Twentieth Interparliamentary Union Conference recently held at Vienna. He held that the reduction of armaments contemplated by the covenant was not possible unless the system should be supplanted by another form of recruiting and by a military organization corresponding more nearly to the part to be played in the future by the army as a body of international police; that an army of mercenaries, however, could be as dangerous as armies organized through conscription.



The assembly adjourned with the discussion on armament still pending.

*Nineteenth meeting, September 27, 1922, 10.30 a. m.*

CONTINUED DISCUSSION OF ARMAMENT REDUCTION

Mr. Branting, Sweden, declared that his country doubted whether it was well to make a general armament reduction contingent on a general treaty of guaranty; that it was apparent from the discussion of article 10 that there were serious obstacles to a general guaranty—that it was important, however, to consider all ways of reducing armament and the reported indicated useful measure for peace not dependent on a treaty of mutual guaranty; that the report also stresses the connection between reparations and inter-governmental indebtedness; that the chief obstacle to disarmament was the general sense of insecurity, but this would be modified in time.

Mr. Askenazy, Poland, spoke of Poland's exceptional position between two powerful neighbors not members of the league, and of her work, despite this and despite terrible memories, in behalf of peace.

Sir Joseph Cook, Australia, admitted some disappointment with the committee report. He deferred to the arguments that moral disarmament must precede material, that mutual confidence among nations must precede moral disarmament, and restoration of economic soundness must precede mutual confidence, and claimed that all this meant that the era of disarmament was still a long way off. He added that this made it all the more necessary, however, that the league should work on disarmament with the greatest zeal and determination. He cited the references of the French and Italian delegations to economic question, and contended that disarmament was itself an economic question. He argued that the Allies in disarming Germany had released her from a heavy economic burden, enabling her to use all her men for economic service and giving her a tremendous economic advantage over countries still burdened with armaments. He referred to the suggestion that the large states should guarantee the small states, and said that the large states themselves needed relief from armaments; that Great Britain had already taken steps toward relief while Australia had reduced its defense system by over 25 per cent. He said that four years after the war the nations of the world were still spending over a fifth of all their revenues on armaments, that reduction by a half would mean much to the economic and commercial life of Europe, that continuance of existing armaments meant slow and certain destruction.

Mr. Langi, Norway, said he hoped the temporary mixed commission would continue its work with the same energy as in the past, and would in due time submit its conclusions to the governments so that next year the assembly would have a definite proposal before it. He contended that armaments should be reduced so that States would not be tempted to break the fundamental undertakings and engagements of the covenant, saying he was happy to note that the idea, at first opposed, of using budgetary expenditure as a basis for armament reduction was now universally accepted. He added that the Norwegian delegation approved the committee resolutions, although he thought it dangerous to combine armament decrease with the treaty of mutual guaranty, that he noted with satisfaction the endeavor to consider economic and financial problems in connection with disarmament, that league, to vindicate its name, must try to unify the forces of good will above the conflicting forces of nationalism and make every effort to become universal.

Mr. Urrutia, Colombia, called attention to the position of the third assembly in point of time between the Washington Conference and the Pan American Congress soon to meet at Santiago, saying that the league undoubtedly welcomed the results of the former and hoped the latter would aid humanity and set up a new moral bond between the peoples of the world.

Mr. de Palacios, Spain, called attention to that part of the committee report referring to the Santiago Pan American Congress where, he said, Chile would submit the question of disarmament, and offered the following resolution in the name of the Spanish delegation:

The assembly recommends to the council that should the case arise the expert services of the League of Nations be authorized to lend their cooperation to the Pan American Conference at Santiago.

The President stated that with the assembly's assent this resolution would be embodied and offered at the proper point in the committee resolutions. Assent given and the resolution afterward adopted as a part of the committee resolutions on disarmament.

Mr. Rivos-Vicuna, Chile, expressed his thanks to the temporary mixed commission and the third committee for the reference to Chile in the committee resolutions, averring that Chile was following the peaceful traditions; that it had always invoked arbitration except in case of unjust aggression and had signed with Argentina the first real disarmament treaty; that in soliciting agreement with the American continent its intention was to join in working out a solution of the disarmament problem, the problem which the league was now studying; that Chile's recommendation for disarmament study at the Santiago Pan American Congress came from a desire for intimate cooperation between the peoples of the old continent and young America. He asserted that Chile wished to see collaboration established between the technical organizations of Washington and Geneva and the Santiago Congress; that the proposal just made by the Spanish delegate had that purpose; that the Chilean Government gratefully deemed it an expression of cooperation and sympathy; that when the representatives of America agreed, and reciprocally the peoples of other continents, the indispensable general agreement could be put into effect by the fourth assembly.

Mr. Zahle, Denmark, announced that the Danish delegation supported the principal recommendations of the committee, but doubted the wisdom of connecting armament reduction with the treaty of mutual guaranty; that he recommended continued study by the temporary mixed commission of armament decrease independently of guaranties.

Lord Cecil, South Africa, reporting for the committee, announced acceptance of the resolution presented by Mr. de Palacios, stating that it would be voted on with the committee resolutions; that harmony had been the outstanding feature of the disarmament discussion, the text of the report and resolutions having been approved by all speakers. He affirmed that two basic ideas had been advanced, one that international suspicion was the great bar to disarmament; the other that some guaranty was essential to armament reduction, a general guaranty, conditioned on reduction, open to all, directed against none. He recalled that Mr. de Jouvenel had condemned the idea of force associated with the names of Bismarck, Nietzsche, Treitschke, and others, and said that this idea had adherents in all countries but they were everywhere a small minority; that the world desired peace and deliverance from the bondage of fear.

The President, closing the discussion, said it marked a date which would be remembered in the annals of the league; that war had shown all nations to be intimately linked together and unable to avoid the consequences of a conflict, regardless of where it occurred; that the Washington conference showed the importance of particular agreements among certain states; that this conference had great significance, and that the great naval powers in consenting to sacrifices in the cause of reduction were entitled to high praise; that Chile had submitted disarmament as a question for the agenda of the Fifth Pan American Conference, shortly to assemble at Santiago, and noted with satisfaction that the assembly had recognized the special character of certain problems peculiar to the American Continent.

Mr. de Oliveira, Brazil, announced that the Brazilian delegation had been obliged to refrain from voting when the naval disarmament resolution was adopted by the third committee; that his Government now accepted in principle the idea of an international conference to consider naval disarmament; that Brazil would take part in such conference with the understanding that it would adhere to the letter and spirit of article 8 of the covenant; that the conference would have complete liberty of action, would con-



sider the question not only as a whole but in its special relations, so that its conclusions might be agreeable to all countries which had not signed the Washington agreement.

The third committee's report and resolutions were then adopted.

The resolutions thus adopted were as follows:

I. (a) The assembly considers it is desirable that the temporary mixed commission should be asked to continue for another year the work which it has begun, and that its report be submitted at an early date previous to that of the next assembly. The assembly further requests the council to invite the members of the league to lend their assistance to the commission in its difficult task, and to give their assistance and advice with regard to proposals for reduction of land armaments and a treaty of mutual guaranty.

(b) The assembly desires to express its sense of the great value of the collaboration that has existed between the temporary mixed commission and the permanent advisory commission, and trusts that it will continue and, if possible, increase. The assembly is of opinion that the great technical competence of the permanent advisory commission can not but be of essential service in the study from the technical military point of view of the questions with which the temporary mixed commission deals.

II. The assembly recommends that, as a preliminary step, the European states existing before the war in 1914, under their present description, whose juridical status has not been altered by the war, and which are not at the moment engaged in military operations which justify their armaments, be invited to reduce the total of their military, naval, and air expenditure to the figures for 1913, calculated on the basis of pre-war prices according to the method employed by the temporary mixed commission.

III. The assembly expresses its satisfaction at the remarkable work accomplished in collecting and drawing up statistical data in an entirely new and peculiarly difficult field.

Taking into account the work accomplished, and reserving the question of the scope it might be necessary to give to a statistical inquiry at a later date, the assembly desires to determine for the coming year the program which appears to it at the same time both immediately useful and practicable. It, therefore, proposes that this program should be limited to the two following points:

(1) Peace-time armaments.

(2) Expenditure on armaments.

The assembly considers it desirable that the council should request the permanent advisory commission to collaborate with the temporary mixed commission in that part of the work which deals with technical military, naval, and air questions.

IV. The assembly, having considered the report of the temporary mixed commission, is of opinion that the only step which could usefully be taken in connection with the surplus stocks of arms and ammunition is the control of the international traffic in arms.

V. The assembly, having noted the proposal of the temporary mixed commission for an international agreement for the control of the manufacture of arms by private companies, urges on the council to consider the advisability of summoning at an appropriate moment a conference of the members of the league to embody this agreement in the form of a convention. The assembly is further of the opinion that states not members of the league should be invited to participate in this conference and to cooperate in the policy on which it may agree.

VI. The assembly:

(a) Considers it highly desirable that the Government of the United States should express the objections which it has to formulate to the provisions of the Convention of St. Germain, as well as any proposals which it may care to make as to the way in which these objections can be overcome;

(b) Is of the opinion that the temporary mixed commission should be instructed to prepare a scheme for the control of the international traffic in arms to be considered by the conference which is to deal with the private manufacture of arms.

(c) Requests the council to take such steps as it thinks advisable to carry out the purposes above indicated.

VII. (a) The assembly, having considered the report of the temporary mixed commission on the subject of the development of chemical warfare, approves its action in establishing a special subcommittee to report on the probable effects of chemical discoveries in future wars and requests the council and the temporary mixed commission to take every possible measure to secure the fullest publicity for the report of this subcommittee.

(b) The assembly requests the council to recommend the members of the league and other nations to adhere to the treaty of Washington (February 6, 1922) concerning the use of asphyxiating gas and submarines in war and other similar matters.

VIII. The assembly, having considered the answers from the governments of 26 members of the league to the inquiry issued to them by the council as to the requirements of their national security, desires to state that it attaches the utmost importance to those replies as affording a basis for the further deliberations of the temporary mixed commission and recommends to the council that it should once again urge the members of the league which have not yet sent in their replies to do so without delay.

IX. The assembly approves the recommendation of the temporary mixed commission that the council should consider whether the time has not come to discuss the application of the paragraph

of article 8 of the covenant relating to the exchange of military information between states members of the league.

X. The assembly expresses its satisfaction at the work accomplished at Washington in connection with the reduction of naval armaments.

XI. (a) The assembly welcomes with interest the Chilean Government's initiative in submitting the question of disarmament to the Pan American conference which is to meet at Santiago in March, 1923.

The assembly expresses the hope that the conference may arrive at practical solutions capable of being fitted into the more general scheme of disarmament which is being considered by the League of Nations.

(b) The assembly recommends to the council that the expert services of the League of Nations should eventually be authorized to cooperate in the work of the Pan American conference of Santiago.

XII. The assembly recommends:

(a) That an international conference should be summoned by the council as soon as possible to which all states, whether members of the league or not, should be invited, with a view to considering the extension to all nonsignatory states of the principles of the Washington treaty for the limitation of naval armaments, it being understood that any special cases, including those of the new states, shall be given due consideration at the conference.

(b) That the report of the temporary mixed commission, together with the report and the draft convention prepared by the permanent advisory commission, as well as the text of the Washington treaty, should be forwarded immediately to the various governments for consideration.

XIII. The assembly having examined the report of the temporary mixed commission on the general principles of land and air disarmament, instructs the commission to continue its investigations on the basis of these principles with a view of preparing for the consideration of the next assembly a definite scheme for the general reduction of land and air armaments.

XIV. (a) The assembly having considered the report of the temporary mixed commission on the question of a general treaty of mutual guaranty, being of opinion that this report can in no way affect the complete validity of all the treaties of peace or other agreements which are known to exist between states, and considering that the report contains valuable suggestions as to the methods by which a treaty of mutual guaranty could be made effective is of the opinion that:

1. No scheme for the reduction of armaments within the meaning of article 8 of the covenant can be fully successful unless it is general.

2. In the present state of the world many governments would be unable to accept the responsibility for a serious reduction of armaments unless they received in exchange a satisfactory guaranty of the safety of their country.

3. Such a guaranty can be found in a defensive agreement which should be open to all countries, binding them to provide immediate and effective assistance in accordance with a prearranged plan in the event of one of them being attacked, provided that the obligation to render assistance to a country attacked shall be limited in principle to those countries situated in the same part of the globe. In cases, however, where, for historical, geographical, or other reasons, a country is in special danger of attack, detailed arrangements should be made for its defense, in accordance with the above-mentioned plan.

4. As a general reduction of armaments is the object of the three preceding statements, and the treaty of mutual guaranty the means of achieving that object, previous consent to this reduction is therefore the first condition for the treaty.

This reduction could be carried out either by the means of a general treaty, which is the most desirable plan, or by means of partial treaties designed to be extended and open to all countries.

In the former case the treaty will carry with it a general reduction of armaments. In the latter case the reduction should be proportionate to the guaranties afforded by the treaty.

The council of the league, after having taken the advice of the temporary mixed commission, which will examine how each of these two systems could be carried out, should further formulate and submit to the governments, for their consideration and sovereign decision, the plan of the machinery, both political and military, necessary to bring them clearly into effect.

(b) The assembly requests the council to submit to the various governments the above proposals for their observation and requests the temporary mixed commission to continue its investigations and, in order to give precision to the above statements, to prepare a draft treaty embodying the principles contained therein.

XV. The assembly of the League of Nations,

Whilst declaring that the reduction of armaments contemplated by article 8 of the covenant can not achieve its full effect for world peace unless it be general,

Desires to emphasize the importance of regional agreements for the purpose of reducing armaments—agreements which, if necessary, might even go beyond the measures decided upon in respect of general reduction;

And requests the council to ask the temporary mixed commission to take into consideration during its subsequent work the possibility of recommending the inclusion of similar agreements to states which might be concerned.

XVI. The assembly,

Considering that moral disarmament is an essential preliminary condition of material disarmament, and that this moral disarm-



ament can only be achieved in an atmosphere of mutual confidence and security.

Declares:

That such confidence can not be attained so long as the world continues to suffer from disorganization of the exchanges, economic chaos, and unemployment, and that the only method of remedying these evils is to put an end to the uncertainty which prevails regarding the means for the restoration of the devastated regions and the settlement of the interallied debts;

Expresses the hope that, in so far as these questions can be regulated by the unaided efforts of the European nations, the governments signatories of the international treaties and agreements which deal with these questions, and within the framework of which they must be envisaged, will achieve as soon as possible a general settlement of the problem of reparations and interallied debts.

It further recommends:

That the council shall devote constant attention to every effort made in this direction by the governments concerned, it being understood that it can only usefully assist in the solution of these problems if requested to do so by the governments in question.

#### GREEK AND ARMENIAN REFUGEES

Prince Arfa-ed-Dowleh, Persia, read a telegram relating to Greek and Armenian refugees in Asia Minor from the Turkish representative at Rome, stating that he had referred the Persian delegation's request for conference with the league's representatives to Mustapha Kemal Pasha and would transmit reply when received.

The president announced promise of Greek delegation to contribute a million drachmas for the refugees.

He also announced a communication from Swedish delegation to the effect that the Swedish Government was prepared to subscribe a million pounds for this purpose.

#### NEAR EAST—REPORT BY SIXTH COMMITTEE

Jonkheer Loudon, Netherlands chairman, and Viscount Islin, reporter, sixth committee, took the platform, the latter presenting the committee's report on the Near East and submitting for the committee this resolution:

The assembly, animated by a sincere desire to see peace reestablished in the Near East and to support any action which may be taken to achieve that object, learns with satisfaction that it is proposed to hold a special conference to consider the present situation with a view to finding a solution.

The assembly trusts that the council, without interfering in any way with the proposed negotiations, will adopt such measures as it may deem timely and warranted by the stage reached in the negotiations in order to give effect to the unanimous wish of the assembly for an early restoration of peace.

Doctor Nansen, Norway, expressed appreciation of the resolution, stating that it indicated that the league had powers in reserve which could be used when all other means had failed.

The assembly adopted the resolution.

#### RUSSIAN REFUGEES—REPORT BY FIFTH COMMITTEE

Mr. Fielding, Canada, chairman, and Mr. Ader, Switzerland, reporter, fifth committee, took places on platform, the latter presenting the committee's report on Russian refugees and paying tribute to Doctor Nansen. The report covered the work of charitable organizations and Red Cross societies, the governmental conferences on identity certificates, passports, and legal status of Russian refugees, and made special mention of the work of the Czechoslovak Government, which was maintaining 5,000 Russian and Ukrainian students.

Mr. Ader then alluded to the question of repatriation, saying that the committee had not discussed it, but several members of the committee had made reservations as to desirability of repatriation. He said that he was expressing, therefore, only his personal opinion; that it was shown in the report of the high commissioner on repatriation that certain Russian refugee organizations and the Soviet Government had asked the American relief association to conclude an arrangement facilitating repatriation; that the high commissioner in his report said he hoped to conclude such arrangement on the basis of the amnesty which had been offered by the Soviet Government; that the arrangement should provide every possible guaranty for the safety of the refugees; that no refugee should be compelled to return against his will; and that those repatriated should be assured full liberty and security both of person and occupation. The speaker stated that he knew nothing of the terms of the published amnesty; that numerous Russian associations support-

ing the old régime had sent a strong protest to the League of Nations and the International Committee of the Red Cross, claiming to speak for 1,500,000 of their fellow countrymen, asking that nothing be done to secure the return of those opposed to the existing political system in Russia. Mr. Ader added that the league should act with the utmost caution and that any agreement with the Soviet Government should be submitted to the league for approval; that he felt it his duty, representing the International Committee of the Red Cross, to bring to the attention of the league and the high commissioner the necessary conditions of an arrangement with the Soviet Government.

Doctor Nansen, Norway, replied that a new question not on the agenda had been raised and asked postponement of further discussion until the next meeting.

The assembly ordered the suggested postponement.

*Twentieth meeting, Thursday, September 28, 1922, 10 a. m.*

#### CONTINUE DISCUSSION OF QUESTION OF RUSSIAN REFUGEES

Doctor Nansen, Norway, expressed a desire to reply to certain statements of Mr. Ader regarding Russian refugees. He asserted that he, like Mr. Ader, had received protests from Russian organizations against repatriation; that similar protests from Russian groups had come the year before, when relief of starvation in Russia was proposed; that such protests, rising from political considerations, should not be allowed to impede relief work; that the return of refugees against their will had never been suggested; that some Russian refugee organizations had announced in favor of repatriation; that to this end and on suggestions by the Hoover organization for relief work and the American Red Cross the repatriation of about 20,000 refugees within the next few months to parts of Russia with favorable local conditions, namely, the Don, Kuban, and Terek regions, had been proposed. He advised the assembly that these refugees were not to go back without guaranties; that (1) every refugee would sign a declaration that he returned voluntarily, (2) the Soviet Government would make a new guaranty in addition to the general amnesty already offered, (3) a representative of the relief organization in Russia would supervise the arrival of the refugees and see that they were well treated, (4) a small delegation would return from Russia and report to their compatriots as to their reception and the conditions prevailing in Russia. He informed the assembly that it was necessary to remove as many refugees as possible from Constantinople and the Balkans; that twice in the last 12 months famine had threatened them, and their position was growing more difficult; that if no effort at repatriation was made, they would return on their own initiative; that refugees had already returned from Constantinople, Greece, and Bulgaria without the consent of the Russian Government, without papers or guaranty; that it was his feeling that it was as wrong to refuse repatriation to a refugee desiring it as to force it on one not desiring it.

Mr. Ader, Switzerland, offered his thanks to Doctor Nansen for the explanation, stating that he took note of the fact that no one would be compelled to return against his will, insisting, however, on the league being shown agreements between the high commissioner and the Soviet Government before they became operative, so that the league might be assured that the guaranties were genuine and effective, and adding that he was moved by no political purpose, that he felt the representations by certain Russian groups should not be ignored.

The assembly adopted the resolutions of the fifth committee on Russian refugees, the resolutions reading as follows:

I. The assembly, having heard the report of the high commissioner of the League of Nations for Russian refugees on the work which he has accomplished during the past year, approves this report, and wishes to express its entire satisfaction with the way in which the high commissioner has discharged the duties intrusted to him and to record its high appreciation of the service he has rendered to the refugees and to the league. As the work is not yet finished, the assembly invites the high commissioner to continue to apply the same methods of work as hitherto.

It further decides:

II. To invite the council to request the governments of the members of the league to continue to lend to the high com-



missioner the support and assistance which they have hitherto given him, especially as regards the development of the means of general and professional education and the securing of employment for the refugees;

III. To invite the council to draw the attention of the governments of the members of the league to the importance of the system of identity certificates adopted at the conference on the subject, held at Geneva in July, 1922, and to request those governments which have not yet given a favorable reply to consider whether they can not without delay bring this system into force;

IV. To request the council to provide by international cooperation for the maintenance of the Russian refugees who are incapable of providing for their own livelihood in the states where they are congregated.

#### ASIA MINOR REFUGEES

Doctor Nansen, Norway, stated that the Government of Norway was prepared to give £1,000 toward relief of refugees in Asia Minor.

#### WORK OF ORGANIZATION FOR COMMUNICATIONS AND TRANSIT—SECOND COMMITTEE'S REPORT

Mr. Chodzko, Poland, chairman; Mr. Adatci, Japan, reporter, second committee, came forward to the platform, the latter reading the resolutions contained in the report of the committee on the work of the organization for communications and transit. The resolutions were as follows:

I. The assembly, after taking cognizance of the first and second reports of the advisory and technical committee for communications and transit on the work of the organization for communications and transit between the second and third assemblies, notes with satisfaction:

(a) The progress achieved in giving practical effect to the recommendations adopted by the conference on passports, customs, formalities, and through tickets, held at Paris in October, 1920, and also to the conventions and recommendations adopted at the Barcelona conference;

(b) The efforts made by the organization for communications and transit to facilitate the ratifications of the Barcelona conventions or the adhesions to those conventions;

(c) The investigations undertaken for the purpose of drawing up the convention on the international régime of railways as well as a general convention on the international régime of ports and for the purpose of applying in the domain of transport the principle of equitable treatment for commerce;

(d) The measures taken with a view to carrying out the resolutions of the Genoa conference, transmitted to the organization for communications and transit by the council of the league with the object of developing the restoration of the actual means of transport in Europe; and

Invites the organization for communications and transit, which will hold a second general conference at Geneva during the year 1923, in accordance with the recommendation of the general conference at Barcelona, approved by the council of the league at its meeting of June 18, 1921, to continue, on the lines at present adopted, to carry out the duties with which it has been entrusted. The assembly believes that the investigations now undertaken will be prosecuted with sufficient energy to insure that all those which appear likely to give rise to an international agreement may form the subject of definite proposals, to be submitted without delay to the second general conference.

II. The assembly recommends the organization for communications and transit of the league to transmit to the various governments concerned at least three months before the meeting of the conference, which shall be held during 1923, the draft conventions or recommendations which it has drawn up.

III. The assembly takes note with satisfaction of the imminent meeting in Paris of the conference of railway administrations, convened by the French railway administrations in conformity with the decisions of the Geneva conference, and draws the attention of the council to the fact that it is desirable that measures should be taken for the representation of the communications and transit organization of the league at the conference in question, which organization has been entrusted in virtue of the decisions referred to above (which have been accepted by the council and the assembly), with the task of examining the progress achieved in carrying them out.

Mr. Adatci observed that the organization for communications and transit had authority to communicate directly to the governments its opinions and recommendations, having its own responsibility and a special autonomy, that the League of Nations might congratulate itself on what had been done in the field now under consideration, that the convention on freedom of transit and the general convention on the régime for navigable waterways of international concern had been ratified and would be put into force, that the Geneva conference had approved the work of the advisory and technical committee for communications and transit, that a second international conference on communications and transit would meet at Geneva, and that the French

Government was organizing a conference of railway administrations, and that at the conference the league would be represented.

#### Resolutions adopted.

##### OBSCENE PUBLICATIONS—FIFTH COMMITTEE'S REPORT

Mr. Fielding, Canada, chairman; Prof. Gilbert Murray, South Africa, reporter, fifth committee, took seats on platform, the latter presenting the report of the committee on obscene publications, and offering these resolutions:

#### The assembly decides:

1. To ask the council of the league, in accordance with article 24 of the covenant, to authorize the secretariat to assist members of the league and any other states which are parties to the international movement for the suppression of obscene publications, in all measures which may be necessary for this purpose.

2. To ask the council of the league to draw the attention of all states to the international agreement of 1910. Those states which have signed or acceded to it should be asked to give full effect to its provisions, and those states which are not yet parties to it should be urged to accede to it at an early date.

3. To invite the council to communicate the draft convention of 1910 with a questionnaire to every state with the request that it should forward its comments thereon to the secretariat of the League of Nations. The secretariat will coordinate the replies received and submit them as a whole to the French Government, requesting it, on behalf of the council, in view of the initiative taken by that Government in 1910, to convene a new conference under the auspices of the league, to be held at Geneva about the time of the fourth assembly, and to be composed of plenipotentiaries empowered to draw up the text of a new convention and to sign such a convention.

The reporter for the committee, Professor Murray, called the assembly's attention to the fact that a draft convention prepared by the French Government in 1910 had received the signatures of various powers, and said that the nations were now asked to give adhesion to this convention. France being invited to continue the work under the auspices of the League of Nations.

Mr. Reynald, France, expressed pleasure in what he termed the excellent results of the international conference of 1910 which the French Government had convened, but said that the convention resulting from that conference required to be completed, and that for its completion the British Government had submitted the subject to the league. He claimed that it would be necessary to summon an international conference, because penal laws should be brought into conformity; that it was the duty of the league to affirm the universal character of moral laws; that each country, however, must be left to adjust these universal laws to its respective national system of morality; that the committee proposed to leave to the governments the initiative as to international conferences; that France would make every effort to carry out the task entrusted to her.

Mademoiselle Vacaresco, Rumania, announced that the committee on intellectual cooperation had referred the consideration of the problem to a committee charged with the duty of combating the scourge of society, thereby emphasizing the distinction between worthy literature and obscenities; that the convention of 1910, called on the generous initiative of France, had demonstrated that the strength of this scourge was to be found in its international character; that the states should apply remedies and the league render the convention of 1910 effective in harmony with article 24 of the covenant.

Mr. Bellegarde, Haiti, contended that it was difficult to find where morality began and terminated; that some nations had often become unduly sensitive; that while trade in infamous publications should be punished, care should be had not to restrict the freedom of art.

#### Resolutions carried.

##### WORK OF ECONOMIC AND FINANCIAL COMMITTEES, REPORT BY SECOND COMMITTEE

Mr. Chodzko, Poland, chairman; Mr. M. Holsti, Finland, and Mr. Van Eysinga, Netherlands, reporters, second committee, came forward with the report and resolutions of that committee on the work of the economic and financial committees.

Mr. Holsti presented the first part of the report, relating to the work of the financial committee. He praised the



financial committee's work during the previous year and called attention to the passage in its report stating that no solution could be found for existing economic disorganization until a practical solution had been found for the problem of intergovernmental indebtedness. He remarked that the third committee of the assembly had reached the same conclusion in connection with the problem of armament reduction.

Mr. Van Eysinga, Netherlands, presented the second part of the second committee report, which related to the work of the economic committee, this work during the preceding year having consisted largely, he said, in considering the problem of the equitable treatment of commerce under article 23 of the covenant, including notably unfair discrimination against the goods and vessels of foreign countries, unfair competition, and customs formalities. He urged that the assembly strongly insist that the economic committee continue its study of the equitable treatment of commerce to the end that this principle might have the widest and speediest application.

Lord Cecil, South Africa, stressed the importance of the work of the economic and financial committees; that the assembly could not do more than review and encourage this work, but it was not to be imagined that the league's activities in this respect were limited to the brief examination by a committee of the assembly; that the league might well be proud of the work of the economic and financial committees; that if the league's recommendations through these committees had been accepted by European governments, much of the present economic disorganization would have been avoided.

Mr. Van Eysinga agreed that the second committee's report did not adequately cover the work of the economic and financial committees, but said that the problems investigated by them were mentioned in the resolutions about to be submitted, and that the information in the second committee's report could be supplemented from additional sources.

The resolutions of the second committee on the work of the economic and financial committees were as follows:

I. The assembly has noted with satisfaction the services which the financial committee has rendered to the council in its several tasks, notably in regard to the finances of Danzig, the technical aid to be given to Albania, and the restoration of the financial condition of Austria. It highly appreciates the activities of the committee and it hopes that the committee will consider practical proposals on all specific subjects which, in present conditions, might be ripe for solution by collaboration between states, and that the committee will pursue its inquiries on practical lines so as to arrive at positive results. It hopes that the study of the various questions connected with the stabilization of currencies, and in particular that of the foreign trade balance and balance of payment of various states, which is an essential element of the problem, will be actively pressed forward so as to lead to the publication of reports which will throw light on this question which is one of urgent importance.

II. The assembly has again had its attention drawn to the persistent gravity of the financial dislocation and its increasingly serious effects upon the commercial and industrial structure of the whole world. It reiterates its belief that an essential part of the remedy for these evils is the application of the rules of finance laid down in the resolutions adopted at the Brussels financial conference and recently indorsed at the Geneva conference. It invites the financial committee to renew the inquiries which it undertook last year on the progress made in the application of these resolutions by various governments. It also invites the committee to investigate, with a view to effective results, and in collaboration, formal or informal, with the governments concerned, all practical proposals which may be made for the completest possible application of the principle of sound finance which these resolutions embody.

III. The assembly, appreciating the advantages which may accrue for the finances of various countries from the disinterested assistance of an international body of impartial experts invites the financial committee to hold itself at the disposal of the governments of the states members of the league and to render them the assistance in its power for such questions and in such forms as may be found most appropriate.

IV. (a) The assembly notes with satisfaction the thorough inquiry which the economic committee has made into the questions concerning the equitable treatment of commerce and the progress achieved in regard to certain aspects of the problem.

(b) It looks forward to a modification of the existing international conventions on unfair competition in consequence of the committee's proposals and approves the procedure adopted by the council with a view to securing this end.

(c) It approves the proposal to convene a conference of experts on customs formalities. It trusts that all possible measures will be taken not only to promote the success of the conference but also to follow up its conclusions in such a way as to secure practical action by the governments with the least possible delay.

(d) The assembly notes the further work undertaken in connection with the problem of the equitable treatment of commerce. It counts upon valuable recommendations being submitted at an early date in regard to the treatment of foreign persons and firms.

(e) It hopes, however, that the investigation thus successfully begun will be extended and continued without interruption in order that the principle of equitable treatment of commerce may be given the earliest and most general application possible.

V. The assembly has noted the progress made and the results achieved by the economic committee in the other tasks which it has undertaken, partly as a consequence of the resolutions of the Geneva conference (dumping, statistical methods, etc.), and partly as regards other matters (bills of exchange). It is anxious that the attention of the states members of the league should be drawn in a special manner to the recommendations in regard to commercial arbitration and the stabilization of customs tariffs.

VI. The assembly, having taken note of the decisions of the general labor conference of 1921 calling for an inquiry into the national and international aspects of the unemployment crisis and the means of combating it and requesting the international labor office to call into cooperation the economic and financial section of the League of Nations for the solution of the financial and economic questions raised by the inquiry:

Requests the economic and financial organization to arrange the scope and method of such collaboration at an early date and to bring to the inquiry conducted by the international labor office any information which it has in its possession.

VII. The assembly invites the states members of the League of Nations to assist in the work of the economic and financial committees by furnishing as fully and as speedily as possible the information for which the committees may ask, notably especially in connection with its various publications and its investigations in regard to the equitable treatment of commerce.

VIII. The assembly notes that the council proposes to maintain for the present the economic and financial organization under its existing provisional form in order to pursue the work which it has already undertaken subject to such changes in the composition of the two committees as the council may decide.

#### Resolutions carried.

##### DEPORTATION OF WOMEN AND CHILDREN IN NEAR EAST

Mr. Fielding, Canada, chairman and reporter, fifth committee, took the platform and presented the committee's report on the deportation of women and children in the Near East.

Mr. Frangulis, Greece, said that the first assembly had decided to appoint a commission of inquiry on this subject, and the second assembly to appoint a commissioner of the league at Constantinople to handle the matter; that Doctor Kennedy had made an impressive statement before the fifth committee as to the work of the commission of inquiry during the past year; that victims of deportations and massacres had not decreased with time; that added thousands of women and children were needful of assistance. He stated that Miss Jeppe, another member of the commission of inquiry, had estimated that at least 30,000 Armenian women and children were in the hands of Mussulmans in districts surrounding Aleppo, and that 5,000 to 6,000 were captives in the Aleppo district; that according to figures from American sources 30,000 deportees had passed through Sivas, 5,000 afterwards dying on the way, 5,000 escaping, and 20,000 reaching Kharput; that of this last number 18,000 were Ottoman Greeks, while 2,000 were Armenians.

He informed the assembly further that the second assembly had decided that the League of Nations, France, Great Britain, and Italy should request their high commissioners to form a committee to assist the commissioner of the League of Nations by all possible means; that a mixed administration was formed to deal with the restitution of women and children; that it was also decided by the second assembly to encourage charitable work in the areas under consideration, such as was being carried on by Catholic and other institutions which the speaker said had long been the outposts of civilization in the East, spreading blessings of faith and charity, and such as was also being carried on by the organizations founded by the United States, particularly the American Near East Relief, by the Belgian committee, and many other worthy institutions. He advised the assembly that Doctor Kennedy in his report to the fifth committee had spoken of the work of Miss Caris Mills, recently



appointed lady director of the "Neutral House," saying that Miss Mills had formerly been in the service of the American Near East Relief and had helped to repatriate more than 12,000 Armenian orphans.

The speaker asserted that his advices were to the effect that conditions had grown worse in the past two years, Greek and Armenian deportees being in a situation worse than slavery.

He quoted from the report of the Near East Relief organization and the conclusions of Dr. Mark H. Ward, a member of that organization, and concluded as follows:

The unquestionably true account which you have just heard will show you that neither the purity of the young girl, nor the honor of the woman, nor the innocence of the child, are respected; all are outraged, freely, deliberately and with impunity. All the creative forces, all the active power of life, all which goes to make up the joy of living and the desire to have lived are destroyed; the very sources of happiness and existence are dried up. And this silent tragedy is being enacted on the borders of two civilizations. From time to time and with a regularity which is often surprising, Europe witnesses this holocaust of pain and suffering which is like some sinister rite. Alas! the blood which is flowing out there is too far away from us and the flames of this conflagration too distant for us to see.

In Europe to-day can our League of Nations, the last hope of oppressed peoples, the final court of appeal of organized public opinion throughout the civilized world remain dumb? It can not do otherwise than deprecate the crime and ask that the authors of these foul deeds shall be sought out. In the face of the dislocation of family life, in face of the deportation of more than 60,000 women and children and of 600,000 refugees should not the unanimous reprobation of civilized humanity here represented rise up like a cry from the people to demand that light shall be thrown upon these events, to insist that responsibility shall be established and justice meted out?

This conception of the duty of the nations personified by our league which, in the preamble of the document that brought us into being, sets out that our aim shall be the maintenance of justice—this conception is the triumph of the outraged conscience of mankind. Our league has already given effective proof of the fact that it is capable of reaching out a helping hand to sufferers, but over the portals of the league are inscribed not only the words, "charity, humanity, and help," but also the words, "responsibility, punishment, and justice."

As early as January 13, 1922, the council of the League of Nations voted the following resolution:

"The council of the League of Nations, having heard with great concern the various reports of excesses alleged to have been committed both by Turkish and non-Turkish inhabitants in Turkish and Greek territories, instructs the commissioner of the league at Constantinople to investigate any report of atrocities committed in these territories in the future and to report to the council thereon."

You will perceive then, gentlemen, that neither the steps proposed nor the problem itself are new, but they are corollaries of the object and mission of your committee of inquiry which was set up as a result of the deportation of women and children in Turkey and in the neighboring countries. The government, in whose territory the inquiry should be carried out, has already notified the league of a similar request. No more remains to be done than to respond to a unanimous desire and proceed to carry on this inquiry wherever such crimes are being committed.

This, gentlemen, is the wish I desire to express. Its object is to establish the facts, to seek out the responsible authors of these crimes and to reveal the truth which in this case means justice.

Lord Cecil inquired if the Greek delegate, Mr. Franjales, had made any definite proposal.

The president replied that no formal proposal had been submitted to him; that if no one wished to speak he would close the discussion. Discussion closed. Resolutions of fifth committee adopted, as follows:

1. The assembly approves the conclusions of the report presented by Doctor Kennedy, chairman of the commission of inquiry on deported women and children, and is of the opinion that the League of Nations should continue its work in this direction.

2. The assembly requests the council to urge the governments responsible for any territories either under the mandate or under allied control where members of the commission for the reclamation of women and children are working to instruct their officials in those territories to give strong support and assistance to the commission and its members.

3. A further sum of £1,500 shall be allocated to the funds of the commission in order that the valuable work at present being undertaken by the commission in Aleppo may be continued.

#### HEALTH ORGANIZATION; FOURTH COMMITTEE'S DECISION

Mr. Rivas-Vicuna, Chile, reporter for fourth committee, announced its decision to fix the credit for the epidemic commission of the League of Nations at 50,000 francs, and

stated that this figure should be inserted in the third resolution on the health organization passed by the assembly on September 15, 1922.

*Twenty-first meeting, Thursday, September 28, 1922, 4.30 p. m.*

#### ARMENIAN AND GREEK REFUGEES

Mr. Fielding, Canada, announced the readiness of his Government to contribute £5,000 for relief of Armenian, Greek, and other refugees from Smyrna and vicinity.

The president announced the gift of £1,000 by the Danish Government for the same purpose.

#### INTELLECTUAL COOPERATION; REPORT BY SECOND COMMITTEE

Mr. Chodzko, Poland, chairman; Mr. de Jouvenel, France, reporter, second committee, appeared on the platform, the latter submitting the committee's report on intellectual cooperation.

Mr. de Jouvenel told of the difficulties which had confronted the committee on intellectual cooperation, pointing out that a gulf had been opened by the war between the cultural systems of the various nations which more civilized tendencies were endeavoring to bridge; that this disaster had been added to the unfortunate development of a war of the classes; that the League of Nations, having instituted the international labor office and representing human thought as a whole, could not fail to grasp the importance of the organization of intellectual work; that the Federation of French Intellectual Workers, comprising 200,000 members, had been the first to turn to the league; that the federation had been created to defend the individual rights of members, and had later tried to show that manual workers and capitalists depended equally on the power of the spirit.

The speaker pointed out further that the committee on intellectual cooperation had begun by making an inventory of the intellectual patrimony of mankind; that it had accordingly created subcommittees to study unification of regulations for archaeological questions, internationalization of methods of bibliography, the question of an international index and catalogue, and so forth, and had later made a list of international institutions occupied in intellectual work.

He advised the assembly that it was invited to approve these plans, consisting (1) of protecting the intellectual patrimony of mankind, (2) of the development of the patrimony, (3) of improving the material situation of intellectual workers and the methods of collaboration in intellectual work; that the committee on intellectual cooperation also proposed to study the question of intellectual property and the steps needed to enable intellectual workers to maintain their position between manual workers and capitalists with a view to a more scientific organization of labor.

Prof. Gilbert Murray, South Africa, observed that two disasters had assailed the intellectual life of Europe—the economic disaster, which was starving it; and the Great War, which had interrupted it—that the object of the committee on intellectual cooperation was to fight these evils, and its work was vital to the existence of the league. He explained that the fourth committee had reduced the expense allowance of the committee from 180,000 francs to 50,000; that this was rather severe, but that in one respect the fourth committee was probably justified; that the work of the intellectual committee could not at the moment make any decided progress; that the currents of intellectual life in Europe did not run together; that closer cooperation between universities had been suggested, but a conference would not be useful which excluded German universities; that reluctance to cooperate on both sides had to be admitted.

He asserted that the present disunion could not exist indefinitely; that league feeling as a whole was against it; that this was shown by the admission of Hungary to the league and the suggestions for the admission of Germany and Turkey; that moral disarmament, of which much had been said, was but another name for intellectual cooperation and for that inward peace which it was the league's duty to foster.



The resolutions of the second committee on intellectual cooperation were then adopted, as follows:

1. The assembly takes note of the report of the committee on intellectual cooperation and highly appreciates the work accomplished by the latter committee at its first session, and also the systematic and judicious method in accordance with which the committee has drawn up the program of its future work. The assembly congratulates the chairman of the committee on intellectual cooperation, M. H. Bergson, together with his colleagues, upon their useful and remarkable work, and expresses the hope that the committee will pursue its work with the help of the most competent men of all countries to the extent allowed by the credits proposed by the fourth committee of the assembly.

2. The assembly notes with satisfaction the resolutions in which the council has authorized the committee on intellectual cooperation to undertake an inquiry into the position with regard to intellectual work and to appoint three subcommittees to investigate questions of bibliography, questions of interuniversity cooperation, and questions of intellectual proprietary rights.

3. The assembly decides to send an appeal to all countries which have not yet accepted the conventions relating to the international exchange of publications signed at Brussels on March 15, 1886, asking them to give their adhesion thereto.

4. The assembly has noted with much interest the detailed investigations carried out by the committee on intellectual cooperation regarding the conditions of intellectual life in countries where its continuance is especially endangered. The assembly invites the council to follow up this important question within the limits proposed by the committee.

5. The assembly invites the council to stimulate an intellectual cooperation based upon international solidarity in order to procure scientific books and documents for the universities and schools of those countries which as a result of war have been deprived of them and which have not sufficient resources to acquire them.

*Twenty-second meeting, Friday, September 29, 1922, 10 a. m.*

TELEGRAM FROM PRESIDENT OF PORTUGAL

The president read a telegram from the President of the Portuguese Republic thanking the assembly for its message of congratulation on the fourth centenary of the circumnavigation of the globe.

CONTRIBUTION FROM SALVADOR TO LEAGUE EXPENSE

Mr. Struycken, Netherlands, reporter for first committee, read the committee report on the question of Salvador's contribution to league expense and submitted the following resolution:

The assembly decides that the report which the first committee has received from its subcommittee on the claim of Salvador be transmitted without discussion to the council of the league, together with copies of the procès-verbal of the committee and of the discussions which have taken place within it in order that the council may take such action in the matter as it considers appropriate.

The report of the subcommittee contained the following conclusions which the reporter also submitted:

The subcommittee is of opinion:

1. That the expenses of the labor organization as determined by article 399, paragraph 2, of the treaty of Versailles should be included among the expenses of the league and be borne by all its members, including Salvador, in the proportions established by article 6 of the covenant.

2. That the expenses of the league which fall to be borne by all its members are not limited to such expenses as are connected in a strict sense with the working of the secretariat but include all expenses legally incurred by the organs of the league and inscribed in its annual budget as voted by the assembly and that Salvador can not consequently refuse to pay its appropriate share of such expenses.

Resolution and conclusions adopted.

AMENDMENT TO ARTICLE 1, ASSEMBLY RULES OF PROCEDURE

Mr. Struycken, Netherlands, reporting for first committee, presented the following report:

The proposal to amend article 1 of the rules of procedure made by Mr. Hanotaux, French delegate, and Mr. Scialoja, Italian delegate, has been examined by the first committee.

The majority of the committee considers that it would be best not to alter the provisions of the rules of procedure on this point. The considerable number of delegates who are engaged in parliamentary and university work would in particular find it difficult, if not impossible, to attend the meetings of the assembly if they were held later. Under these conditions the clear advantages of the proposal, which consist of giving more time for the commissions meeting in August and at the beginning of September, do not seem sufficient to justify the adoption of the proposal.

Committee's conclusions adopted by assembly.

AMENDMENT TO ARTICLE 14, ASSEMBLY RULES OF PROCEDURE

Mr. Trygger, Sweden, reporting for first committee submits a resolution as follows:

The assembly adopts the following amendment to rule 14 of its rules of procedure:

Rule 14, paragraph 2, shall read as follows:

"2. The assembly shall not decide items on the agenda in full meeting until the report of a committee upon them has been presented and circulated unless the assembly itself, by a two-thirds majority, determines otherwise."

Reports by a committee involving the expenditure of money must indicate whether the expenditure will constitute part of the general expenses of the league or whether it will be recovered from the members of the league particularly concerned.

Reports by a committee other than the finance committee recommending action which will involve the expenditure of money shall be accompanied by as close an estimate as time and circumstances allow of the amount of the expenditure involved. This estimate shall, before the matter is brought before the assembly, be submitted to the fourth committee in order that it may be checked by that committee.

No resolution involving expenditure shall in any case be voted by the assembly before the finance committee shall have expressed its opinion on the advisability of the proposed expenditure from the point of view of general budgetary resources.

The assembly at the same time decides that paragraph 2 of article 19 of the regulations for the financial administration of the League of Nations shall read as follows:

"In accordance with paragraph 2 of rule 14 of the rules of procedure of the assembly, and subject to any amendment thereof, the following rules shall apply:

"(a) Reports by a committee involving the expenditure of money must indicate whether the expenditure will constitute part of the general expenses of the league or whether it will be recovered from the members of the league particularly concerned.

"(b) Reports by a committee other than the finance committee recommending action which will involve the expenditure of money shall be accompanied by as close an estimate as time and circumstances allow of the amount of the expenditure involved. This estimate shall, before the matter is brought before the assembly, be submitted to the fourth committee in order that it may be checked by that committee.

"(c) No resolution involving expenditure shall in any case be voted by the assembly before the finance committee shall have expressed its opinion on the advisability of the proposed expenditure from the point of view of general budgetary resources."

Resolution approved.

CONTRIBUTIONS UNPAID

Mr. Zahle, Denmark, chairman; Mr. Trygger, Sweden, reporter, fourth committee, took places on platform, the latter reading the committee's report on unpaid contributions, and submitted the following conclusion:

The assembly approves the principles and proposals which are laid down in the report of the fourth committee (A. 145, 1922) concerning the contributions still remaining to be paid for the fiscal period up to January 1, 1922.

Conclusion agreed to.

NONPERMANENT MEMBERS OF COUNCIL

Mr. Barthelemy, France, reporter for first committee, presented its report and the following resolutions and recommendation:

I. The assembly adopts, for the election of the nonpermanent members of the council, the following rules of procedure:

The members whose representatives are to sit on the council as nonpermanent members of that body shall be selected by the assembly by secret ballot.

Where several seats are to be filled the election shall be made by voting a list of names. Any ballot paper containing more names than there are seats to be filled shall be null and void.

No member shall be elected at the first or at the second ballot unless it has obtained at least the absolute majority of the votes. If, after two ballots, there still remain seats to be filled, a third ballot shall be held upon a list consisting of the candidates which obtained most votes at the second ballot up to a number double that of the seats still to be filled, and those members shall be elected which obtain the greatest number of votes.

If two or more members obtain the same number of votes and there is not a seat available for each, a special ballot shall be held between them; if they again obtain an equal number of votes, the president shall decide between them by drawing lots.

II. Pending the ratification by the states of the amendment to article 4 of the covenant voted by the assembly in 1921, and without prejudice to the right of the assembly to "select in its discretion," in accordance with the provisions of the covenant, the nonpermanent members of the council the committee recommends that the assembly declare:

The nonpermanent members of the council are elected for a period of three years commencing on the first day of January following the date of their election.



Retiring members are not eligible for reelection until the expiration of a period of three years.

One-third of the nonpermanent part of the council shall be renewed each year.

If one or two of the members now on the council are reelected, their mandates shall terminate at the end of the first year.

If more than two members now on the council are reelected, lots shall be drawn to determine which one or which two of them shall not retire until the end of the second year.

If necessary, lots will be drawn to determine the order of retirement as between newly elected members so as to bring up to two the number of members retiring.

The drawing of lots to determine the members which are to retire shall be effected by the council and shall take place at least two months before the session of the assembly which is to make the election.

If for any reason a seat on the council filled by any state should become vacant during the first period of three years, the state shall be considered as having retired, with the result that if such vacancy occurs during the first year lots shall only be drawn for one seat, and if the vacancy occurs during the second year lots shall only be drawn for one seat.

If such vacancy occurs after the expiration of the first period of three years, the assembly shall fill it at the session following its occurrence, but the member so elected shall only complete the current mandate.

Recommendation: It is desirable that the assembly in electing the six nonpermanent members of the council should make its choice with due consideration for the main geographical divisions of the world, the great ethnical groups, the different religious traditions, the various types of civilization, and the chief sources of wealth.

Mr. Barthelemy called attention to the fact that the second assembly had proposed an amendment to the covenant enabling the assembly to draft a system of rules, that this amendment had not been ratified, and that it was doubtful whether the assembly adopt a system at present; that the committee submitting this amendment to the second assembly had made a reservation safeguarding the liberty of the assembly. To meet the situation, he said, the first committee now functioning had presented: (1) A resolution containing rules of procedure for the ballot within the assembly; (2) a resolution containing a pronouncement of principle and substance; and (3) a recommendation. He added that the committee took no definite position as to the legal force of its declaration and reserved the liberty of the next assembly.

Prince Arfa-Ed-Dowleh, Persia, asked that in electing nonpermanent members the assembly should consider the geographical situation, ethnical, religious, and commercial conditions of the various systems of civilization, and that a seat should be allotted to Asia with its 850,000,000 people.

Lord Balfour, British Empire, proposed a redraft of the preamble of the second resolution, as follows:

Pending the ratification by the states of the amendment of article 4 of the covenant voted by the assembly in 1921, and without prejudice to the right of the assembly "to select in its discretion," in accordance with the provisions of the covenant the nonpermanent members of the council, the assembly recommends the fourth assembly to adopt the following regulations, etc.

Lord Balfour explained that this redraft would mean the elision of the eighth paragraph of the second resolution; that in this way unanimity would be obtained in the assembly; that it was desirable, however, to recommend to states members ratification of amendments to the covenant proposed by the second assembly so that the fourth assembly might not find itself in position similar to that now facing the third.

Mr. Bourgeois, France, supported the proposal of Balfour.

The president announced a motion by Lord Balfour in the following terms:

The assembly declares that it is of the highest importance that the amendments to the covenant already passed should be ratified by the governments of the members of the league, and requests the council to take all proper measures to secure this result.

Mr. Scialoja, Italy, approved the Balfour motion and suggested that if the assembly desired to recommend ratification it should consider the text of a recommendation drafted by the first committee in this language:

The assembly calls the attention of the delegations to the fact that it is of the utmost importance for the authority and the proper working of the League of Nations that the states should

ratify at a very early date the amendments of the covenant voted by the first and second assemblies, with the exception of amendments 2 and 3 to article 6.

He added that the first committee recommended immediate ratification of the first amendment to article 6, so that the assembly could fix rules for election of members of council.

Mr. Tang-Tsai Fow, China, thanked the Persian delegate for the testimony he had borne to the solidarity of Asia, and referred to the action of China in submitting to the first committee draft regulations for election of nonpermanent members of council on the principle of geographical distribution, five seats to go to European and American members, the sixth to a non-European and non-American state. He contended that this would have assured the universal character of the council, awakening interest of countries remote from the sphere of the activities of the league, and facilitating rotation by giving every member a chance to sit on the council. He pointed out that the first assembly had made formal recommendations to this effect. He added that the first committee, however, had deemed it in line with duty to adopt a compromise between two points of view and that the Chinese delegation, in a spirit of conciliation, reserving future liberty, would support the committee action.

Lord Balfour announced his acceptance of Mr. Scialoja's suggestion.

Mr. Motta, Switzerland, announced his approval of the Balfour proposals with the understanding that they did not affect the substance of the resolutions.

Resolutions as amended and recommendation carried.

Lord Balfour's motion regarding ratification, as amended, was then adopted.

*Twenty-third meeting, Friday, September 29, 1922, 3.30 p. m.*

#### REGULATIONS FOR FINANCIAL ADMINISTRATION OF LEAGUE—FOURTH COMMITTEE REPORT

Mr. Zahle, Denmark, president, Mr. Melot, Belgium, reporter, fourth committee, took seats on platform, Mr. Melot presenting report and conclusions, the latter being as follows:

Whereas the recommendation of the assembly adopted on September 17, 1920, with regard to the administration of the finances of the League of Nations, as modified by the recommendations of October 4, 1921, requested the council to prepare for the annual session of the assembly in 1922, a final resolution concerning the administration of the finances of the League of Nations;

And whereas the council requested the commission of control to prepare a draft of such a resolution, and the commission has submitted such a draft which has been considered by the assembly.

The assembly of the League of Nations adopts the regulations for the administration of the finances of the League of Nations.

Conclusions adopted by assembly.

#### BUDGET AND ACCOUNTS; REPORT BY FOURTH COMMITTEE

Mr. Zahle, Denmark, chairman; Mr. Adatci, Japan, reporter, fourth committee, came to seats on platform, the reporter presenting the following resolution:

The assembly of the League of Nations finally passes the expenditure and income accounts for the third fiscal period ending December 31, 1921.

The reporter, Mr. Adatci, stated that the budget estimates for the period 1923 showed an inevitable increase over prior ones, and urged the reduction of expenditures to the minimum. The forthcoming budget, he said, called for 25,623,000 francs, making the unit contribution 27,851 francs. He told the assembly that the fourth assembly had cut down all expenditures not absolutely indispensable.

Mr. Rivas-Vicuna, Chile, regretted the existing system which controlled finances in accordance with the requirements of the administration and calculated receipts only afterwards in accordance with its needs; that expenditure should be stabilized, the contribution of each state determined and the budget regulated in consonance with resources available. He urged that the league make sure that the states embodied their contributions in their budgets; that an increase, however, in the league budget, without modifying the number of units, would weigh heavily on states in financial difficulties; that the value of each unit



be fixed for three or five years; that the council submit such a plan to the next assembly.

Sir James Allen, New Zealand, urged acceptance of scale proposed, and that delegates urge their governments to pay annual contributions as soon as possible. He asserted that the financial position of the league was disquieting, that contributions in arrears amounted to more than 14,000,000 francs, causing a deficit; that the league would be compelled to raise a loan from the banks if amounts due were not paid; that delegates should urge their governments to pay their contributions for 1923 as soon as possible, as well as all or part of arrears.

Mr. Urrutia, Colombia, stated that it was difficult to induce parliaments to vote larger sums each year for the league; that he hoped the league budget would not increase during the next few years; and that no new technical bodies would be formed until the league was on a permanent footing.

Mr. Amador, Panama, asserted that the increasing league budget and the deficit were disquieting to the parliament of his country; that the true friends of the league would continue to support in every way and that every effort must be made to guard against an excessive increase of expense.

The resolution was agreed to.

Mr. Adatci then presented a second resolution from the fourth committee, as follows:

The assembly adopts the first report of the commission of control and the supplementary report in so far as its recommendations have not already been acted upon or are not at variance with other specific decisions of the third assembly or of its fourth committee.

Resolution agreed to.

Mr. Adatci, for the fourth committee, next submitted two additional resolutions in the following terms:

(a) The assembly recommends that, in view of the necessity of realizing economies in the financial administration of the league, the council should always hold its sessions at Geneva except in the case of absolutely exceptional circumstances necessitating a session at some other place.

(b) The assembly of the League of Nations, in accordance with article 4 of the recommendations adopted by the first assembly on the administration of the finances of the League of Nations dated September 17, 1920, approves for the fiscal period 1923 the general budget of the league and the budget of the international labor organization and the supplementary credits, amounting in all to 25,623,508 francs, and decides that these budgets shall be published in the official journal.

Mr. Reynald, France, observed that all members of the assembly favored economy, but that the intellectual organization had been too parsimonious; that the allowed credit of 50,000 francs should be doubled; that the international labor office was worthy of praise, but gave insufficient attention to the organization of intellectual work; that the material welfare of intellectual workers should be looked after and their organization placed on an international basis.

The Maharajah of Nawanagar, India, supported Mr. Reynald, contending that nothing was more important than restoration of rights due to intellectual activities; that the league should press to a successful ending the work it had been first to begin.

Sir Edgar Walton, South Africa, opposed the suggested increase on the ground of economy, pointing out that 75,000 francs had been provided for intellectual cooperation, with a supplementary credit of 50,000 francs.

Mr. Zumeta, Venezuela, argued that a vote for the increase would do honor to the league.

Sir Joseph Cook, Australia, deemed the provision already made to be sufficient and opposed the addition from the standpoint of economy.

Mr. Fielding, Canada, took the economical view and opposed the suggested increase, claiming also that there had not been sufficient time properly to study the matter.

Mr. Bellegarde, Haiti, favored the increase, holding that it was too small to render the financial situation more complicated.

Mr. Adatci, reporter, said he was in personal sympathy with the proposal, but asked that it be withdrawn for the coming year in the interest of harmony.

Mr. Reynald insisted on his suggestion, which he presented in these terms:

The assembly—

In view of the fact that the work undertaken by the committee on intellectual cooperation, in accordance with the decision of the second assembly, can not be satisfactorily carried out without adequate financial provisions in the budget—

Decides to raise the credits shown for this purpose under the heading of International Bureau and Miscellaneous Questions to the sum of 175,000 francs.

Proposal adopted.

Committee resolutions as amended by Mr. Reynold's proposal were then carried.

BUILDING SITES OFFERED BY SWISS CONFEDERATION AND BY CANTON AND CITY OF GENEVA

Mr. Adatci, for fourth committee, submitted the following resolution:

The assembly of the League of Nations, having noted the letter from the Swiss delegation, dated September 14, 1922, addressed to the secretariat of the League of Nations on behalf of the federal council and on behalf of the council of state of the Republic and Canton of Geneva and of the administrative council of the city of Geneva, which provides that, subject to the ratification by the constitutional powers, both Federal and Genevese, and in order to assist the league to acquire in due time premises suitable for the holding of the assembly and for use as offices by the International Labor Office, by obtaining possession of land in Geneva suitably placed for their requirements, the following sites are offered as a gift:

(1) On the part of the Swiss Confederation, the premises situated at 154, Rue de Lausanne, on the shores of the lake, and having an area of 35,845 square meters;

(2) On the part of the Republic and Canton of Geneva and the city of Geneva, the land adjacent to the secretariat on the side nearest to the city and having an area of 4,493 square meters; expresses its warm appreciation of the generosity and the good will shown toward the League of Nations which inspired these offers and gives full powers to the council:

(1) To accept these offers as soon as they have both been definitely made; and

(2) To authorize the secretary general to act on behalf of the League of Nations to carry out the transfer of the property rights.

Resolution adopted and the president authorized to address a letter of thanks to the Swiss authorities.

#### LIMITATION OF COUNCIL EXPENDITURES

Mr. Adatci, from fourth committee, submitted this resolution:

The assembly, considering that the present financial position of all countries renders the strictest economy necessary on the part of the League of Nations, especially in so far as new work involving the league in new expenditure is concerned, even if this work was contemplated by conventions or resolutions antedating the present session of the assembly:

Requests the council of the league and the governing body of the international labor office to see that work of this nature should be undertaken between the third and fourth assemblies only in cases of extreme urgency.

The assembly also requests the council of the league and the governing body of the international labor office to submit to the fourth assembly a statement of new work, involving new expenditure on the part of the league, undertaken in accordance with the conditions mentioned in the first paragraph.

Resolution agreed to.

#### RECOVERABLE EXPENDITURE

Mr. Adatci, Japan, submitted another resolution from the fourth committee reading as follows:

With regard to the decision of the council dated July 21, 1922, the fourth committee desires to express its full approval of the principle that expenditure incurred for special investigations in the particular interests of one or more members of the league shall be met by that or those members of the league.

Resolution carried.

#### DEFERRED PAY AND PENSIONS; PENSION TO DOCTOR PARDO'S CHILD

Mr. Adatci, Japan, brought forward two additional resolutions from the fourth committee which were as follows:

(a) The assembly:

Whereas, the fourth committee only received the report of the salaries adjustment committee on the subject of a deferred pay and pensions scheme for the secretariat and international labor office at its last meeting, two days before the close of the assembly;

Whereas, it was impossible in these circumstances to consider this question with the necessary care:

Decides to transmit the report that was submitted to it to the commission of control and requests the council to submit to the



members a final report four months before the opening of the fourth session of the assembly.

(b) The assembly feels much sympathy for the case of Doctor Pardo, an official of the international labor office, who died while on a mission to Russia, leaving a young child in difficult circumstances. The assembly duly signifies its approval of the decision of the governing body of the international labor office, recommending that a sum equivalent to one-fourth of Doctor Pardo's salary should be devoted to the maintenance and education of his son.

The assembly decides to include for this purpose a sum of 7,500 francs in the supplementary estimates.

Mr. Cavadzoni, Italy, observed that the scheme devised by the salaries adjustment committee was not acceptable to the fourth committee; that though the scheme was proposed late in the session, it might have been possible to have provided a certain payment by employees matched by an equal sum from the league, but the committee did not think this would be possible; that Great Britain, nevertheless, had raised the question at the first assembly and obtained an approval of the principle; that the second assembly had instructed a committee to devise a plan; that if no account were taken of what the first two assemblies had done a disquieting effect would be produced among the employees; that the third assembly ought to provide a pension scheme for the staff.

Mr. Zotlale, Denmark, agreed to the importance of a plan, saying that it meant, however, an expenditure of 750,000 francs a year and a very complicated system; that it had come before the fourth committee too late in the present session; that the assembly should send the report of the salaries adjustment committee to the commission of control and should invite the council to submit to league members a final report four months before the opening of the next assembly.

Resolutions adopted.

#### VALIDITY OF VOTE OF INCREASED CREDIT FOR INTELLECTUAL COOPERATION

Mr. Trygger, Sweden, said he questioned the validity of the vote of an increased credit for intellectual cooperation; that in his opinion the committee resolution should have been adopted unanimously under the terms of the covenant; that without the desire to raise objections he proposed the submission of the question to the council for examination.

The president supported this proposal, holding that it would be helpful to have the council's opinion on procedure to be followed in connection with budgetary questions.

Proposal approved by assembly.

Report of fourth committee adopted as a whole.

#### AMENDMENT TO ARTICLES 4 AND 7, RULES OF PROCEDURE

Mr. de Palacios, Spain, reporting for first committee, presented the resolution following:

(1) The following text shall be substituted for the original text of article 4, paragraph 1, and paragraph 2 (a) and (b):

1. The agenda shall be drawn up by the secretary general with the approval of the president of the council. The complete agenda shall be circulated to members as nearly as possible four months before the date fixed for the opening of the session.

2. The agenda of a general session shall include:

(a) A report on the work of the council since the last session, on the work of the secretariat, and on the measures taken to execute the decisions of the assembly.

Subparagraphs (c), (d), (e), (f) shall be, respectively, lettered (b), (c), (d).

(2) The following text shall be substituted for the original text of article 7:

1. The officers of the assembly shall consist of a president and of six vice presidents, together with the chairmen of the main committees of the assembly, who shall be ex-officio vice presidents of the assembly. These officers shall form the general committee.

2. The president shall be elected at the beginning of each session.

3. Until the election of the president, the president of the council shall act as president of the assembly.

4. The election of the vice presidents shall take place at one of the early meetings of the session.

Resolution adopted.

Twenty-fourth meeting Saturday, September 30, 1922, 10 a. m.

#### RATIFICATION BY POLAND OF CERTAIN AMENDMENTS TO COVENANT

The president announced that the Polish Government had ratified the amendments to the covenant of the league voted by the second assembly, except the amendment to article 6.

#### ASIA MINOR REFUGEES

The president notified the assembly that the following countries had contributed the following amounts for Asia Minor refugees: Great Britain, £50,000; Canada, £5,000; Norway, £1,000; Sweden, £1,000; New Zealand, £1,000; Denmark, £1,000; Greece, 1,000,000 drachmas—about £5,000; Spain, £2,000.

The president stated that Luxemburg had promised a donation.

#### PAN AMERICAN CONGRESS

Mr. Van Eysinga, Netherlands, submitted the following resolution, as reporter for second committee:

The assembly expresses a desire that at the next Pan American Congress the members of the League of Nations represented at the congress should call the attention of the latter to the work of the technical organizations of the League of Nations;

Expresses a desire that these members should consider the means by which any future action contemplated by the Pan American Congress in connection with any question which is being dealt with by the technical organizations of the League of Nations may, as far as possible, be carried on in cooperation with these organizations; and

Recommends that, if necessary, the council should authorize the technical organizations to cooperate in any action of general interest which the Pan American Congress may decide to take.

Mr. Reynald, France, expressed the entire concurrence of the French delegation in this proposal.

Resolution adopted.

#### ALLOCATION OF EXPENSES OF LEAGUE

Mr. de Palacios, Spain, reporting for first committee, submitted a resolution as follows:

The assembly, considering that it is desirable to modify as soon as possible the system of allocation of the expenses of the League of Nations among its members and to replace the scale of the Universal Postal Union now in force by a more just and equitable scale;

And considering that the scale annexed to the present resolution has been recognized by general consent as establishing a more just and equitable system for the allocation of said expenses, and that it is recognized to secure the immediate application of this scale as a provisional measure:

Approves the application of the above-mentioned scale for the allocation of the said expenses for the year 1923.

The assembly requests the council to ask the committee for the allocation of expenses, presided over by Mr. Revellaud, to continue its researches with a view to preparing a definitive scale which may be submitted to a subsequent assembly. The assembly leaves it to the council to modify the composition of the committee as it thinks desirable.

It begs the council to notify the members of the League of Nations that it is no longer to continue the ratification of the amendments No. 2 and No. 3 of article 6, voted by the assembly of 1921, but on the other hand to urge them to ratify the first amendment as soon as possible.

#### ANNEX

##### SCALE FOR ALLOCATION OF EXPENSES FOR 1923 UNDER ABOVE RESOLUTION

Albania, 1 unit; Argentina (subject to observation by Argentine Government), 35 units; Australia, 26; Austria, 1; Belgium, 15; Bolivia, 5; Brazil, 35; British Empire, 95; Bulgaria, 7; Canada, 35; Chile, 15; China, 65; Colombia, 7; Costa Rica, 1; Cuba, 9; Czechoslovakia, 35; Denmark, 12; Estonia, 3; Finland, 10; France, 78; Greece, 10; Guatemala, 1; Haiti, 2; Honduras, 1; Hungary, 4; India, 65; Italy, 61; Japan, 73; Latvia, 3; Liberia, 1; Lithuania, 4; Luxemburg, 1; Netherlands, 20; New Zealand, 10; Nicaragua, 1; Norway, 11; Panama, 1; Paraguay, 1; Persia, 6; Peru, 10; Poland, 25; Portugal, 10; Rumania, 31; Salvador, 1; Serb-Croat-Slovene State, 26; Siam, 10; South Africa, 15; Spain, 40; Sweden, 18; Switzerland, 15; Uruguay, 7; Venezuela, 5.

Mr. Van Eysinga, Netherlands, announced the support of the resolution by the Netherlands delegation because it would assist the league in overcoming its financial difficulties, and urged each delegation to endeavor by all possible means to persuade its government to follow the new scale. He proposed, he continued, to strengthen the resolution by offering as a substitute for the words "Considering that it is desirable," the words "Considering that the financial requirements of the League of Nations render it imperatively necessary," and so forth.

Mr. de Torriente, Cuba, announced that he would not vote, because his government had instructed him not to accept this year an increase in Cuba's contribution, but that



he would ask his government to reconsider this action if possible.

Resolution, as modified by Mr. Espingo's amendment, adopted.

#### ELECTION OF NONPERMANENT MEMBERS OF COUNCIL

Under rules of procedure adopted at a previous meeting the assembly proceeded to elect the nonpermanent members of the council.

The president appointed Prince Arfa-Ed-Dowleh, Persia; Doctor Pusta, Estonia; and Mr. Urrutea, Colombia, to act as tellers.

The vote was taken by roll call and secret ballot, and the secretary general proceeded to count the votes.

The president announced the result as follows:

States voting: Albania, Australia, Austria, Belgium, Brazil, British Empire, Bulgaria, Canada, Chile, China, Colombia, Costa Rica, Cuba, Czechoslovakia, Denmark, Estonia, Finland, France, Greece, Guatemala, Haiti, Hungary, India, Italy, Japan, Latvia, Liberia, Lithuania, Luxemburg, Netherlands, New Zealand, Norway, Panama, Paraguay, Persia, Poland, Portugal, Rumania, Serb-Croat-Slovene State, Siam, South Africa, Spain, Sweden, Switzerland, Uruguay, and Venezuela.

States absent: Argentine Republic, Bolivia, Nicaragua, Peru, and Salvador.

Number of votes cast, 46.

Absolute majority required, 24.

Votes obtained by states were as follows: Brazil, 42; Spain, 40; Uruguay, 40; Belgium, 36; Sweden, 35; China, 27; Serb-Croat-Slovene State, 15; Portugal, 12; Persia, 9; Colombia, 5; Switzerland, 3; India, 2; Norway, 2; Denmark, 1; Czechoslovakia, 1; Haiti, 1; Chile, 1; Siam, 1; Netherlands, 1; Rumania, 1; and Austria, 1.

The president announced that Brazil, Spain, Uruguay, Belgium, Sweden, and China, having obtained an absolute majority of votes required, had been elected nonpermanent members of the council.

*Twenty-fifth meeting, Saturday, September 30, 1922, 3 p. m.*

#### FINANCIAL REHABILITATION OF AUSTRIA—STATEMENT BY LORD BALFOUR ON BEHALF OF COUNCIL

The president announced that the council, which had been studying the Austrian question during the last few days, desire to report to the assembly on this subject through its reporter, Lord Balfour, and that, after Lord Balfour's address, the Austrian delegate would be requested to speak.

Lord Balfour said the Austrian problem had not been entirely solved, but much was being accomplished; that the present was not the first effort the league had made at the invitation of the powers to assist Austria; that the essential part of the first scheme was the release of liens held by a large number of nations, and these were so slowly released that when the last was lifted it was too late, the economic condition of Austria having sunk so low that when the league was asked a second time to intervene, the task was inevitably harder and more complicated.

He asserted that if Austria was to secure the needed credit, other nations must guarantee it; that the council and subcommittee of the council on Austria were agreed on that; that four nations had each agreed to take 20 per cent of the total loan required to enable Austria to pay her way during the two years which the council's financial advisers held must elapse before she could balance her budget, the total amount needed being something over 500,000,000 gold crowns; that he had great hope that nations could be found to take the 20 per cent still unsubscribed; that the method in view was the supply of the money by individual lenders, the subscribing nations guaranteeing payment.

He then explained that internal reforms must be brought about if the loans were to be had; that large sums had been contributed to Austria during the last two disastrous years, but they had under the existing system no more than sufficed to enable Austria to get along, somehow or another, from day to day; that these contributions did not contain in themselves a single element of permanence and helped in no way to build a permanent credit basis for Austria.

Mr. Pouilly-Dietrichstein, Austria, expressed the gratitude of Austria to the league, and especially to the members of the council, for having undertaken this task, which he sincerely trusted would be successful. He also thanked the nations which had already agreed to guarantee the greater

part of the proposed loan, naming Belgium as one of the additional nations which he had learned would take the remainder of the loan, and thanking her also. He said he had hoped the transaction could have been completed while the assembly was in session, but this was not practicable.

Lord Cecil asked, that if the project failed would there be a full, public statement of all the negotiations. Lord Balfour said he could not believe failure possible, but, if it came, all the documents and facts would be made public; that the present plan consisted in the main of providing the guaranteed loan; of seeing that it was properly expended in Austria and in cooperation with the Austrian Government; of insuring that it should only be expended in Austria if, accompanying the expenditure, those great reforms were carried into effect, which were absolutely necessary to Austria's recovery; that Austrian sovereignty was to be in no way impaired; that when the plan was completed all the documents connected with the negotiations and the entire transaction would be laid before a public meeting of the council; that with the plan in operation there was no reason why Austria should not recover; that the benefits of the plan would reach Europe and the world, and its success would be an answer to the charge that the league could not deal with the economic affairs of the world; that there was not the least desire or intention of keeping back from the league or the public all the details and all the data on which the council's work in the Austrian matter was based.

Mr. Bourgeois, France, said that the council in dealing with the Austrian question had applied the highest and best principles, principles underlying the league, and asked that the meeting end with a demonstration of confidence and faith. He was greeted with loud and prolonged applause.

In closing this, the last meeting of the third assembly, the president, Mr. Edwards, said, among other things, that he thanked Switzerland not only for what she had done for the league but for the living example she offered to the world of a close union which could be attained by a common ideal, even though there was no community of race, of religion, or of language. He thanked both Switzerland and Geneva for hospitalities extended. He said that the league was growing day by day, obtaining increased prestige and influence, and winning the confidence of the peoples; that in the first year of its existence the league was composed only of the countries which had been Allies or neutrals in the Great War; that now there were but two of the former enemies of the Allies that had not asked for admission; that every country that had wished to join was now a member; that the doctrine proclaimed by the Argentine Republic at the first assembly, the doctrine of the universality of the league, was being consecrated by the facts that, on account of the close fraternal relations between his country and Argentina, he witnessed with satisfaction the virtual triumph of the Argentine doctrine that would mark an epoch in the history and development of the league.

He pointed out that the third assembly had developed the master thought of the covenant, which sought the peace of nations by every possible avenue, by offering to states the procedure of conciliation, a new mechanism, suggested by the Scandinavian nations, impregnated with the basic idea that the league is not a superstate but a center where all the good will and the peaceful desires of all nations can converge and meet. He referred to the admission of Hungary to the league as one of the happy events of the third assembly.

He concluded with these words:

Ladies and gentlemen, we have reached the third milestone in the journey of our institution. We have nothing with which to reproach ourselves, much to be proud of, and still more to expect. Let us have faith in the destinies of the league, because all that is great, all that seeks the good of mankind and tends toward perfection is imperishable. The origin of humanity is divine, and its end in the beyond is divine also. Perfection, therefore, must be its goal.

When the whirlwind has passed—the hate-laden cyclone loosed over the world by the breath of the Great War—then will the aims and the mechanism of the covenant be more clearly perceived and the serene and limpid atmosphere in which the league has its



being become more apparent. We shall see, too, the souls of all the nations of the earth inspired with the ideal of cooperation, yearning to be immortalized, like the souls of individuals—in faith, hope, and charity.

In another moment we shall have left this hall, and the charge with which you have honored me by electing me as your president will have come to an end. I can not depart without assuring you that to the gratitude which I feel for the great trust you have reposed in me is now added a strong sense of obligation for your indulgence. I beg you to pardon, ladies and gentlemen, the errors I may have committed in consideration of my great willingness to serve you and my not less great desire to continue serving you wherever and whenever occasion may arise. I cease now to be your president, but all my life I wish to be your friend. [Loud and prolonged applause, the whole assembly rising to its feet.]

Ladies and gentlemen, I declare the third assembly of the League of Nations at an end.

During the delivery of Mr. SHEPPARD's speech—

Mr. LEWIS. Mr. President, will the Senator yield?

Mr. SHEPPARD. I yield for a question.

Mr. LEWIS. It is evident to us all who are attentive in the Senate that the Senator from Texas is contributing literally a volume of history which, in its accuracy and detail, indicating such vast research, will hereafter be referred to as a book of review and reference. But I beg to inform him that when, something like two years ago, I was in Palestine, there was a movement on the part of Britain, as published, to withdraw that provision which gave to each of the Jewish assemblages, wherever they came from, the right to choose their own citizenship.

I may inform my eminent friend, who no doubt knows the fact, that President Wilson was responsible for that very wise provision which enabled the American Jew in that locality to continue his citizenship as an American. But, as I remarked a moment ago, a year and a half, perhaps two years ago, in Palestine a great commotion was created, to the point of actual riots, while I was present, regrettably having to witness such, because England threatened, through her officials then there, to withdraw the Balfour declaration, and to lay down the doctrine that those who were taking advantage of the document which the able Senator has so carefully compiled and presented should be citizens of Great Britain.

I would ask the Senator if he knows whether that has been changed, and whether they still adhere to the privilege which we had established of allowing Americans to remain as Americans, instead of making them citizens of Great Britain while living in Palestine.

Mr. SHEPPARD. I think they have been allowed to remain as Americans. I thank the Senator for his most interesting contribution.

Mr. SHEPPARD resumed his speech. After speaking for some time—

Mr. MOSES. Mr. President—

The PRESIDING OFFICER (Mr. SCHUYLER in the chair). Does the Senator from Texas yield to the Senator from New Hampshire?

Mr. SHEPPARD. I yield for a question.

Mr. MOSES. I ask the Senator whether he has now fully discussed the Macedonian aspect of the problem?

Mr. SHEPPARD. I think so.

Mr. MOSES. If the Senator will permit me, the Senator's learned disquisition has so close a relation to a question now before the Senate that I wondered whether, in discussing the Macedonian question, he intended to discuss the details of the Bechtold proposals, the Mergsted program, the protocol of Cettigne, the Saloniki manifesto, and those other matters which intimately concern the activities of the comitadjis in Macedonia at the time of which the Senator is speaking; because of course in a discussion of this subject, if the Senator will permit me further, especially in relation to its intimacy with the question before the Senate, I hope the Senator will not fail to enlighten us with reference to some of these topics which I have suggested, since necessarily, in the course of my activities prior to coming into the Senate, I happened to have known something about some of these things which I have mentioned. But evidently the Senator can fill in the interstices in my information so

completely that I hope he will not fail to do so as the discussion goes forward.

Mr. SHEPPARD. Macedonia is related to this question, because the dries have heard the cry from Macedonia.

Mr. MOSES. I never understood that it was from that group of the population that the cry went up to "come over into Macedonia and help us."

Mr. SHEPPARD. The women and children are calling for help.

Mr. MOSES. I thought that cry came up from quite another portion of the globe.

Mr. SHEPPARD. So it does; but it comes from every part of the globe where people want help in conquering evils.

Mr. MOSES. And it is still articulate?

Mr. SHEPPARD. It is still articulate. The Senator is familiar with the Macedonian problem by virtue of his having been a distinguished and an able Minister to Greece.

Mr. MOSES. I thank the Senator very much, because when I now have to take up the pen, I would like to have accurate information upon those topics as to which I am now somewhat deficient.

Mr. SHEPPARD. I am sure that the able manner in which the Senator conducted his mission to Greece has given him the interest which he has expressed in this phase of the discussion, and I thank him for his suggestion.

Mr. MOSES. If I may be equally complimentary to the Senator from Texas, may I say that the research shown to have been made in the preparation of the address with which he is now regaling the Senate assures me that I will have complete and accurate information from him before the discussion is over.

Mr. SHEPPARD. I shall endeavor to supply that information.

During the delivery of Mr. SHEPPARD's speech—

Mr. TYDINGS. Mr. President—

The PRESIDING OFFICER (Mr. FESS in the chair). Does the Senator from Texas yield to the Senator from Maryland?

Mr. SHEPPARD. I yield; but I ask unanimous consent that all colloquies occurring in the course of my address be placed at the end of my speech.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TYDINGS. Mr. President, I do not want to be offensive or rude to the Senator from Texas. May I point out, however, that we have only 16 legislative days left of this Congress; that there are 12,000,000 people out of employment, 5,000 banks have failed, there is economic chaos from one end of the Nation to the other, and as long as we take up these extraneous matters we can not do a thing for the distress of the country.

Mr. SHEPPARD. The country will also be frightfully injured if the liquor traffic is ever restored.

Mr. SHEPPARD resumed his speech. After having spoken for some time—

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. SHEPPARD. I yield to the Senator.

Mr. TYDINGS. I want to say preliminarily that no one concedes more than does the Senator from Maryland the sincerity and idealistic motives of the Senator from Texas. May I point out to him, however, that this is not a question of whether we shall have liquor or no liquor. This is a question as to whether or not the American people have a right to pass upon the form of government under which they live. They can either adopt it or reject it; but the Senator from Texas, by the very long oration he is delivering—which has now gone on for an hour and a half and promises to go for at least another hour and a half—is denying to the people of America the right to alter or amend the form of government under which they live.

Mr. SHEPPARD. This motion is a step toward the return of the liquor traffic. I am fighting it at every step, and I feel justified in doing so.

Mr. SHEPPARD resumed his speech. After having spoken for a few moments—

Mr. TYDINGS. Mr. President, will the Senator yield before he goes on with the next table? Then I will not bother him any more.

Mr. SHEPPARD. I yield.

Mr. TYDINGS. I admit that the Senator is sincere and wishes to fight this motion; but may I again point out to him that he is fighting it at the expense of the institution we call the people; that they can not, notwithstanding they may want to do so, amend the Constitution because the Senator from Texas will not allow them the opportunity to pass upon it.

Mr. SHEPPARD. Mr. President, I am in favor of the people's rule. Ordinarily, I am in favor of the submission of any question when a substantial number of the people desire the question submitted. National prohibition, however, was adopted by the States in 1920, only 13 years ago. Powerful wet minorities have not permitted it to have a fair trial. That is why I am not in favor of submitting now the question of its repeal. It would be unfair to prohibition and to the people to submit the question at this time.

Mr. DILL. Mr. President, will the Senator yield for a question before resuming his speech?

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Washington?

Mr. SHEPPARD. I yield.

Mr. DILL. In the light of the fact that we are in the midst of what is probably the greatest panic in history, with great banks crashing and one State now with all of its banks closed, does not the Senator from Texas think it is the height of foolishness to take up a controversial question such as this, when it is going to take days of debate even to get the motion voted upon?

Mr. SHEPPARD. Certainly; and the Senator from Wisconsin ought to withdraw it. I shall stop speaking if he will withdraw it.

Mr. DILL. I am glad to know that the Senator has that spirit.

Mr. SHEPPARD resumed his speech. After speaking for some time—

Mr. BLAINE. Mr. President, will the Senator yield?

Mr. SHEPPARD. For a question.

Mr. BLAINE. So that I may ask unanimous consent?

Mr. SHEPPARD. No.

Mr. BLAINE. Then may I ask the Senator a question?

Mr. SHEPPARD. The Senator may ask me a question.

Mr. BLAINE. How long does the Senator think he may continue with his debate on the pending motion?

Mr. SHEPPARD. That depends on how long the spirit moves me. I can not tell how long I may speak when I am under the inspiration of a sense of duty.

Mr. BLAINE. It may be indefinitely?

Mr. SHEPPARD. It might be indefinitely.

Mr. BLAINE. The Senator does not anticipate concluding before 6 o'clock?

Mr. SHEPPARD. I do not.

Mr. BLAINE. Or before 10 o'clock?

Mr. SHEPPARD. I do not; if I can hold out.

#### ADDRESS BY THE PRESIDENT OF THE UNITED STATES

During the delivery of Mr. SHEPPARD's speech—

Mr. FESS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. FESS. If the Senator from Texas yields for an insertion in the RECORD by unanimous consent, will he lose the floor?

The VICE PRESIDENT. Not if it is done by unanimous consent.

Mr. SHEPPARD. By unanimous consent, I yield if it does not take me off the floor. I ask to have the matter inserted at the conclusion of my speech.

The VICE PRESIDENT. That will be done.

Mr. FESS. I ask unanimous consent to insert in the RECORD the address delivered last night by the President of the United States.

The VICE PRESIDENT. Without objection, it is so ordered.

The address is as follows:

[From the New York Herald Tribune of Tuesday, February 14, 1933]

#### TEXT OF PRESIDENT'S ADDRESS POINTING ROAD TO WORLD ECONOMIC RECOVERY

It is a pleasure for me to address you upon the day when this club and our countrymen of all faiths throughout the land are paying tribute to the memory of Abraham Lincoln. We to-night also pay tribute to him as founder of the Republican Party and the inspirer of its ideals. He, more than any other man, created the living, virile organization which has given responsible interpretation of those ideals to our people in each succeeding generation. The party has brought these ideals to realization in government and development of a great nation. An organization that can show more than 15,000,000 adherents after 70 years—an irreducible minimum in the reaction from the worst depression the world has ever seen—is, indeed, testimony to the virility of the principles which Lincoln enunciated.

Those principles, the fiber and the determination of the party, assure that it will be recalled to power by the American people. One of the sure guaranties that this will be so was the extraordinary support of the youth of the country in the last campaign. There has never been a time in the history of the party when it received such a large adherence of young men and women, when they exerted themselves with such capable organization, devotion, and effort as they did in that campaign. It is to them that the party must look. It is in their idealism, their energy, and their vitality that the Republican Party can take assured hope for the future.

The people determined the election. Those of us who believe in the most basic principle insisted upon by Abraham Lincoln—the transcendent importance of popular government—have no complaint. We accept and, as Americans, will continue wholeheartedly to do our part in promoting the well-being of the country. Our party can truly feel that we have held the faith; that we shall do so in the future is our solemn responsibility.

It has ever been the party of constructive action. The Republican Party will support the new administration in every measure which will promote public welfare. It must and will be vigilant in opposing those which are harmful.

#### PARTISANSHIP PUT ASIDE

My purpose is not to speak upon divided issues on this occasion; rather it is to discuss matters concerning which there should be no partisanship.

Further steps toward economic recovery is the urgent problem before the entire world. Ceaseless effort must be directed to restoration of confidence, the vanquishing of fear and apprehension, and thus the release of the recuperative spirit of the world.

It is therefore my purpose to discuss some of the broad measures which confront us in reaching further to the roots of this tragic disturbance, particularly in the field of foreign relations. While we have many concerns in the domestic field, we must realize that so long as we engage in the export and import of goods and in financial activities abroad our price levels and credit system, our employment, and, above all, our fears will be greatly affected by foreign influences.

During the last two years the crash of one foreign nation after another under direct and indirect war inheritances has dominated our whole economic life. The time has now come when nations must accept, in self-interest no less than in altruism, the obligations to cooperate in achieving world stability, so mankind may again resume the march of progress. Daily it becomes more certain that the next great constructive step in remedy of the illimitable human suffering from this depression lies in the international field. It is in that field where the tide of prices can be most surely and quickly turned and the tragic despair of unemployment, agriculture, and business transformed to hope and confidence.

Economic degeneration is always a series of vicious cycles of cause and effect. Whatever the causes may be, we must grasp these cycles at some segment and deal with them. Perhaps it would add clarity to the position I wish to make later if I should shortly follow through the cycle of financial failure which has at least in part taken place in countries abroad.

#### TRACES CYCLES OF COLLAPSE

Many countries in addition to the other pressures of the depression were overburdened with debt and obligations from the World War or from excessive borrowing from abroad for rehabilitation or expansion. Many created or added to their difficulties through unbalanced budgets due to vast social programs or armament, finally reaching the point where collapse in governmental credit was inevitable. Foreigners in fear withdrew their deposits in such countries. Citizens in fright exported their capital. The result was a large movement of gold from such a country followed by the immediate undermining of confidence in its currency and its credit system. Runs on its banks ensued. Restrictions were imposed upon exchange to stop the flight of capital. Barriers were erected against the imports and commodities in endeavor to reduce the spending of her citizens for foreign goods and in an effort to establish equilibrium in exchange and retention of their gold reserves. Failure in such efforts resulted in abandonment of the gold standard.

Currency depreciation, stagnation of their industries, increase in their unemployment, and further shrinkage in consumption of



world goods again and again affected all other nations. Depreciated currencies gave some nations the hope to manufacture goods more cheaply than their neighbors and thus to rehabilitate their financial position by invasion of the markets of other nations. Those nations in turn have sought to protect themselves by erecting barriers until to-day as the result of such financial breakdown we are in the presence of an incipient outbreak of economic war in the world with the weapons of depreciated currencies, artificial barriers to trade by quotas, reciprocal trade agreements, discriminations, nationalistic campaigns to consume home-made goods, and a score of tactics each of which can be justified for the moment, but each of which adds to world confusion and dangers.

Out of the storm center of Europe this devastation has spread until, if we survey the world situation at the present moment, we find some 44 countries which have placed restrictions upon the movement of gold and exchange or are otherwise definitely off of the gold standard. In practically all of them these actions have within the last 12 months been accompanied by new restrictions upon imports in an endeavor to hold or attract gold or to give some stability to currencies.

These depreciations of currency and regulations of exchange and restrictions of imports originated as defense measures by nations to meet their domestic financial difficulties. But a new phase is now developing among these nations—that is, the rapid degeneration into economic war which threatens to engulf the world. The imperative call to the world to-day is to prevent this war.

#### AMERICA'S PART IN CHECKING CHAOS

Ever since the storm began in Europe the United States has held stanchly to the gold standard. In the present setting of depreciated currencies and in the light of differences in costs of production our tariffs are below those of most countries; we have held free from quotas, preferences, discriminations among nations. We have thereby maintained one Gibraltar of stability in the world and contributed to check the movement to chaos.

We are ourselves now confronted with an unnatural movement of goods from the lowered costs and standards of countries of depreciated currencies, which daily increase our unemployment and our difficulties. We are confronted with discriminatory actions and barriers stifling our agricultural and other markets. We will be ourselves forced to defensive action to protect ourselves unless this mad race is stopped. We must not be the major victim of it all.

In all this competition of degeneration, these beginnings of economic war between scores of nations, we see a gradual shrinkage in demand for international commodities throughout the world and continuing fall of prices in terms of gold. From falling prices and unemployment we have at once the inability of debtors to meet their obligations to their creditors, the dispossession of people from their farms and homes and businesses.

If the world is to secure economic peace, if it is to turn in the tide of degeneration, if it is to restore the functioning of the production and distribution systems of the world, it must start somewhere to break these vicious fiscal and financial circles. I am convinced that the first point of attack is to secure assured greater stability in the currencies of the important commercial nations. Without such stability the continued results of uncertainty, the destruction of confidence by currency fluctuations, exchange controls, and artificial import restrictions can not be overcome but will continue to increase. With effective stability of currencies these dangers can be at once relaxed. I am not unaware that currency instability is both a cause and an effect in the vicious cycle, but we must start somewhere.

#### GOLD'S RELATION TO SITUATION

This brings me to a phase which has gradually developed during the past months, and that is the reactions and relation of gold itself upon this situation. For, independent of other causes of degeneration, I am convinced that the circumstances which surround this commodity are contributing to drive nations to these interferences with free commerce and to other destructive artificialities.

Outside minor use in the arts there are two dominant uses of gold. First, the important commercial nations have builded their domestic currency and credit systems upon a foundation of convertibility into gold. Secondly, gold is the most acceptable of all commodities in international payments. Even the nations that have abandoned the gold standard must still depend upon gold for this purpose. It is true that nations must in the long run balance their international trade by goods, services, or investments, but in the intermediate ebb and flow balances must still be settled by the use of gold.

In all the welter of discussion over these problems we find some who are maintaining that the world has outgrown the use of gold as a basis of currency and exchange. We can all agree that gold as a commodity of universal exchange has not worked perfectly in the face of this great economic eruption. But we have to remember that it is a commodity the value of which is enshrined in human instincts for over 10,000 years. The time may come when the world can safely abandon its use altogether for these purposes, but it has not yet reached that point.

It may be that by theoretically managed currencies some form of stability may be found a score or two years hence, but we have no time to wait. They are subject to great human fallibilities. Sooner or later political pressure of special groups and interests

will direct their use. But in any event it would take many years' demonstration to convince men that a nongold currency would certainly a year hence be worth what he paid for it to-day.

It is noticeable that most of the nations off the gold standard are even to-day seeking to increase their gold reserves. In the view of many economists these measures and the restrictions which have been placed on the movement of gold or exchange by twoscore of nations have created the same practical effect as if there were a scarcity of gold in the world. That while there has in the last few years been a very large increase in the quantity of visible gold in the possession of institutions and governments, the effect of all these regulatory actions by governments attempting to protect their gold reserves from runs and flights of capital and their attempts to increase their supply has been to divide the gold of the world into twoscore of pockets and in many of them to freeze it from full freedom of action. In other words, this view holds that we are to-day not dealing with a shortage of the commodity; we are dealing with its being partly immobilized in its functioning.

#### "RUNS" ON A WORLD-WIDE SCALE

To add to the confusion another phenomenon of the gold situation has increased disturbances and wrought havoc; that is, the effect of waves of fear and apprehension. We have a parallel in nations to an unreasoning panic run on a bank. The fears and apprehensions directed in turn to the stability of first one nation and then another have caused withdrawal of foreign balances from a particular nation, followed by flights of capital, through purchases of exchange by its own citizens seeking refuge and security for their property.

These movements are followed by large flows of gold to meet exchange demands, thus undermining the domestic currency and credit system of the victim nation and leading to an unnatural piling up of gold in some nation temporarily considered safe. These movements, themselves in large degree unwarranted, have forced some nations off the gold standard that could otherwise have maintained their position. We ourselves a year ago suffered from the effects of such a movement. Thus a mass of the gold dashing hither and yon from one nation to another, seeking maximum safety, has acted like a cannon loose on the deck of the world in a storm.

In the meantime the currencies of the world are fluctuating spasmodically. Countries off of the gold standard are in reality suffering from their managed paper currencies by reason of the fact that men are unable to make contracts for the future with security, and that insecurity itself again dries up enterprise, business, employment, consumption of goods, and further causes reductions of prices. Other nations to hold their own are attempting to compete in destruction.

Broadly, the solution lies in the reestablishment of confidence. That confidence can not be reestablished by the abandonment of gold as a standard in the world. So far as the human race has yet developed and established its methods and systems of stable exchange, that solution can only be found now and found quickly through the reestablishment of gold standards among important nations. The huge gold reserves of the world can be made to function in relation to currencies, standards of value, and exchange. And I say with emphasis that I am not proposing this as a favor to the United States. It is the need of the whole world. The United States is so situated that it can protect itself better than almost any country on earth.

Nor is it necessary from an international point of view that those nations who have been forced off the gold standard shall be again restored to former gold values. It will suffice if it only is fixed. From this source are the principal hopes for restoring world confidence and reversing the growing barriers to the movement of goods, and making possible the security in trade which will again revive a demand for such goods. To do this it is necessary to have strong and courageous action on the part of the leading commercial nations. If some sort of international financial action is necessary to enable central banks to cooperate for the purpose of stabilizing currencies, nations should have no hesitation in joining in such an operation under proper safeguards. If some part of the debt payments to us could be set aside from temporary use for this purpose, we should not hesitate to do so. At the same time the world should endeavor to find a place for silver, at least in enlarged subsidiary coinage.

If the major nations will enter the road leading to the early reestablishment of the gold standard, then and then only can the abnormal barriers to trade, the quotas, preferences, discriminatory agreements, and tariffs which exceed the differences in costs of production between nations be removed, uniform trade privileges among all nations be reestablished, and the threat of economic war averted.

A reasonable period of comparative stability in the world's currencies would repay the cost of such effort a hundred times over in the increase of consumption, the increase of employment, the lessening of the difficulties of debtors throughout the land, with the avoidance of millions of tragedies. The world would quickly see a renewed movement of goods and would have an immediate rise in prices everywhere, thereby bringing immediate relief to the whole economic system.

I do not underestimate the difficulties nor the vast fiscal and financial problems which lie behind the restoration of stability and economic peace. Bold action alone can succeed. The alternative to such constructive action is a condition too grave to be contemplated in passive acceptance.



## THREE ROADS AHEAD FOR AMERICA

The American people will soon be at the fork of three roads. The first is the highway of cooperation among nations, thereby to remove the obstructions to world consumption and rising prices. This road leads to real stability, to expanding standard of living, to a resumption of the march of progress by all peoples. It is to-day the immediate road to relief of agriculture and unemployment, not alone for us but the entire world.

The second road is to rely upon our high degree of national self-containment, to increase our tariffs, to create quotas and discriminations, and to engage in definite methods of curtailment of production of agricultural and other products and thus to secure a larger measure of economic isolation from world influences. It would be a long road of readjustments into unknown and uncertain fields. But it may be necessary if the first way out is closed to us. Some measures may be necessary pending cooperative conclusions with other nations.

The third road is that we inflate our currency, consequently abandon the gold standard, and with our depreciated currency attempt to enter a world economic war, with the certainty that leads to complete destruction, both at home and abroad.

The first road can only be undertaken by the cooperation among all important nations. Last April, in conjunction with the leaders of Europe, our Government developed the idea of a world economic conference to deal with these questions. It is unfortunate that the delay of events in Europe and the election in the United States necessarily postponed the convening of that conference. It has been further delayed by the change of our administration.

## BASIS FOR COOPERATION

The question naturally arises whether other nations will cooperate to restore world confidence, stability, and economic peace. In this connection, I trust the American people will not be misled or influenced by the ceaseless stream of foreign propaganda that cancellation of war debts would give this international relief and remedy. That is not true. These debts are but a segment of the problem. Their world-trade importance is being exaggerated.

In this respect, I stated some months ago, the American people can well contend that most of the debtor countries have the capacity to raise these annual amounts from their taxpayers, as witness the fact that in most cases the payments to us amount to less than one-third of the military expenditures of each country. But at the same time we can well realize that in some instances the transfer of these sums may gravely disturb their currency or international exchanges. But if we are asked for sacrifices because of such injury we should have assurances of cooperation that will positively result in monetary stability and the restoration of world prosperity. If we are asked for sacrifices because of incapacity to pay, we should have tangible compensation in restoration of our proportion of their agricultural and other imports.

The world should have relief from the sore burden of armaments. If they are unwilling to meet us in these fields, this Nation, whether you or I like it or not, will be driven by our own internal forces more and more to its own self-containment and isolation, as harmful to the world and as little satisfactory to us as this course may be.

But this is the counsel of despair. The full need of prosperity among nations can not be builded upon mutual impoverishment. It is to the interest of the world to join in bold and courageous action which will bring about economic peace—in which the benefits to the rest of the world are as great as to us—and we should cooperate to the full. Any other course in the world to-day endangers civilization itself. Unless the world takes heed it will find that it has lost its standards of living and culture, not for a few years of depression but for generations.

Despite many discouragements, the world has shown an increasing ability in establishment of effective agencies in the solution of many controversies which might have led to war. When we compare the attitude of nations toward each other which existed 20 years ago with that of to-day, we can say that there have been developed both the spirit and the method of cooperation in the prevention of war which gives profound hope of the future.

## WORK TOGETHER FOR MUTUAL GOOD

In its broad light the problem before the world to-day is to work together to prevent the dangers of developing economic conflict—to secure economic peace. That is a field in which the world can cooperate even more easily than in the field of prevention of war, because there is involved in it no background of century-old controversies, injustices, or hates. The problems in that economic field contain less of the imponderables and more of the concrete. There is involved in it the most important and appealing self-interest of every nation. Through such cooperation the world can mitigate the forces which are destroying the systems of production and distribution upon the maintenance of which its gigantic population is dependent.

There is a driving force before the eyes of every statesman in the misery and suffering which have infected every nation. Throughout the world the people are distraught with unemployment; the decline of prices which has plunged farmers into despair; the loss of homes, of savings and provisions for old age. Therefore, just as there is an obligation amongst nations to engage in every possible step for the prevention of war itself, there is before us to-day the necessity for world cooperation to prevent economic warfare. And who can say but the greatest act in prevention of war is to allay economic friction.

On our side this problem is not to be solved by partisan action but by national unity. Whatever our differences of view may be on domestic policies, the welfare of the American people rests upon solidarity before the world, not merely in resisting proposals which would weaken the United States and the world, but solidarity in cooperation with other nations in strengthening the whole economic fabric of the world. These problems are not insoluble. There is a latent, earnest, and underlying purpose on the part of all nations to find their solution. Of our own determination there should be no question.

## CONFIDENCE MAIN PROBLEM

The problem before the world is to restore confidence and hope by the release of the strong, natural forces of recovery which are inherent in this civilization. Civilization is the history of surmounted difficulties.

We of this world to-day are of the same strain as our fathers who builded this civilization. They passed through most terrible conflicts. They met many great depressions.

They created a state of human well-being in normal times such as the world has never seen. The next forward step is as great as any in history. It is that we perpetuate the welfare of mankind through the immense objectives of world recovery and world peace.

## AMENDMENT OF THE CONSTITUTION—REPEAL OF PROHIBITION

The Senate resumed the consideration of Mr. BLAINE'S motion to consider Senate Joint Resolution 211.

Mr. SHEPPARD continued his speech. After some time, when commenting on the liquor traffic, he said:

One of the principal reasons for my belief in the league is the fact that it has an active and effective bureau for the control of the liquor traffic. Some of the most instructive utterances on the effect of alcohol, especially on backward peoples, can be found in the proceedings of the league.

Mr. SHEPPARD continued his speech. After some time—

Mr. McNARY. Mr. President, will the Senator from Texas yield?

The PRESIDING OFFICER (Mr. THOMAS of Oklahoma in the chair). Does the Senator from Texas yield to the Senator from Oregon?

Mr. SHEPPARD. I yield.

Mr. McNARY. I want to offer a unanimous-consent agreement which will not take the Senator from the floor. I ask unanimous consent that when we conclude our work to-day the Senate shall recess until 11 o'clock to-morrow morning.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and that order will be entered.

Mr. TYDINGS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Maryland?

Mr. SHEPPARD. I yield to my friend from Maryland.

Mr. TYDINGS. May I ask the Senator from Texas if under the conditions I am about to state he will not yield the floor? I have polled most of the so-called wet Members of the Senate, and, with one exception, those with whom I have talked will vote to support a motion to lay the proposition that is now pending on the table, which will kill it. We are anxious to have it killed. I should like the privilege if the Senator from Texas will yield the floor, in absolute good faith, believing the motion will be killed, to make a short 10-minute statement, at the conclusion of which I will move to lay the pending motion on the table.

I will ask the Senator from Iowa [Mr. BROOKHART], who is also opposed to this motion, if he would object to having it killed now?

Mr. BROOKHART. What motion?

Mr. TYDINGS. The motion to take up the joint resolution proposing a constitutional amendment, and kill it?

Mr. BROOKHART. The Senator means to kill it by moving to lay it on the table?

Mr. TYDINGS. Yes.

Mr. BLAINE. Mr. President, a parliamentary inquiry.

Mr. SHEPPARD. Mr. President, I should like to have it understood that this proceeding is by unanimous consent.

Mr. BROOKHART. Would it take the Senator from Texas from the floor if the motion were lost?

Mr. TYDINGS. No, indeed.

Mr. BLAINE. Mr. President, I desire to make a parliamentary inquiry.



The PRESIDING OFFICER. The Senator will state it.  
Mr. SHEPPARD. I repeat, that this proceeding is all by unanimous consent.

The PRESIDING OFFICER. The Chair will so hold.

Mr. BLAINE. My parliamentary inquiry is if the motion is made will the Senator from Texas lose the floor?

Mr. BROOKHART. If he does not lose the floor, I have no objection.

Mr. TYDINGS. I would not want the Senator from Texas to lose the floor if my motion failed to be agreed to, but may I say, Mr. President, that I will make the motion in absolute good faith, believing, after conferring with most of the so-called wets with whom I have been able to talk, that the motion will be adopted, and then we may proceed with the business of the session. If the Senator from Texas will yield for 10 minutes, I will be glad to make the motion without taking him from the floor.

Mr. BLAINE. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state his parliamentary inquiry.

Mr. BLAINE. Can the Senator from Maryland enter into a unanimous-consent agreement with himself and the Senator from Texas that the Senator from Texas will not lose the floor?

The PRESIDENT pro tempore. The Chair does not regard that as a parliamentary inquiry; that is a matter of practical parliamentary procedure. The Senator from Texas has the floor.

Mr. SHEPPARD. I shall desist for the present, and, if the motion shall not be adopted, I shall take the floor again.

Mr. TYDINGS. Mr. President—

The PRESIDENT pro tempore. The Chair is not sure that the Senator from Texas can yield the floor for the purpose of having a motion made, and can then regain it.

Mr. SHEPPARD. If I yield the floor for that purpose, I may be recognized a second time, may I not, in my own right?

The PRESIDENT pro tempore. If the Chair recognizes the Senator; yes.

Mr. SHEPPARD. The Chair, I am sure, will recognize me before there shall be a final vote.

Mr. BROOKHART. As I understand, if the Senator yields for the purpose of submitting a unanimous-consent request that will not take him off the floor.

The PRESIDENT pro tempore. It will not.

Mr. TYDINGS. No; I want to make a motion to lay on the table.

Mr. BROOKHART. Well, that can be done by unanimous consent.

Mr. TYDINGS. Mr. President—

The PRESIDENT pro tempore. Just a minute. The Senator from Texas still has the floor.

Mr. VANDENBERG. Where?

Mr. BLAINE. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. BLAINE. What is and who is before the Senate? Who has the floor?

The PRESIDENT pro tempore. The Senator from Texas has the floor. The Senator from Texas insists that he may yield the floor to the Senator from Maryland for the purpose of making a motion, and the Senator from Texas insists that he may thereupon regain the floor. The Chair rules that he may regain the floor if he gets recognition from the Chair; otherwise not.

Mr. TYDINGS. Mr. President—

Mr. SHEPPARD. Just a moment.

The PRESIDENT pro tempore. Does the Senator from Texas yield to the Senator from Maryland?

Mr. SHEPPARD. Mr. President, my confidence in the sense of fairness of the Chair is such that I shall take my chances on getting recognition again, and I yield the floor.

The PRESIDENT pro tempore. The Senator from Texas, being adventurous, yields the floor. [Laughter.]

Mr. TYDINGS obtained the floor.

Mr. VANDENBERG. Mr. President, will the Senator from Maryland yield to me?

Mr. TYDINGS. I yield for a question.

Mr. VANDENBERG. I suggest the absence of a quorum, if the Senator will permit me.

The PRESIDENT pro tempore. Does the Senator from Maryland yield for that purpose?

Mr. TYDINGS. I yield for that purpose.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Austin	Couzens	La Follette	Sheppard
Bailey	Dale	Lewis	Shipstead
Bankhead	Davis	McGill	Shortridge
Barbour	Dickinson	McKellar	Smith
Barkley	Dill	McNary	Smoot
Bingham	Fess	Moses	Steiwer
Black	Frazier	Neely	Swanson
Blaine	George	Norbeck	Thomas, Okla.
Bratton	Glass	Norris	Townsend
Brookhart	Gore	Nye	Trammell
Bulow	Hale	Oddie	Tydings
Byrnes	Harrison	Pittman	Vandenberg
Capper	Hatfield	Reed	Wagner
Clark	Hayden	Reynolds	Walcott
Connally	Hebert	Robinson, Ark.	Walsh, Mass.
Coolidge	Kean	Robinson, Ind.	Watson
Copeland	Kendrick	Russell	White
Costigan	King	Schuyler	

The PRESIDENT pro tempore. Seventy-one Senators having answered to their names, a quorum is present. The question is on agreeing to the motion of the Senator from Wisconsin [Mr. BLAINE].

Mr. TYDINGS. Mr. President, I desire to make a very short statement, at the conclusion of which I shall make a motion to lay upon the table the motion of the Senator from Wisconsin [Mr. BLAINE].

No business has been transacted in the Senate to-day. We have fourteen and a half days of this session left, with seven appropriation bills yet to be acted upon, with unemployment relief yet to come before us, and many other major measures; and obviously there is not sufficient time to act upon them all.

The Senator from Texas [Mr. SHEPPARD] has been speaking for several hours. When he concludes, I understand that the Senator from Iowa [Mr. BROOKHART] has a 5-hour speech, and that other Senators are prepared to filibuster against this joint resolution.

It is absolutely asinine, in my opinion, with only fourteen and a half days remaining, with important legislation to be considered, to sit here while one or two Senators talk about the League of Nations and other things that have nothing to do with this depression; and, mark you, that upon a day on which 540 banks closed in a single State; that at a time when 12,000,000 people are out of employment, when 5,000 banks have failed, when a million farms have been thrown under the auctioneer's hammer. At such a time we can not even get this proposition to a point where we can vote upon it, because of obstructive tactics.

I will ask my friend the Senator from Michigan [Mr. VANDENBERG] whether he is not ready to vote now, without further debate.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. VANDENBERG. I most certainly am ready to vote immediately, and in the affirmative. Meanwhile, I want to concur in the Senator's notion that it is utter folly to proceed upon a futile and inconclusive debate.

Mr. TYDINGS. Are there any other Senators who wish to ask me a question in which they can indicate their readiness to vote now, without further debate?

Mr. REED. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Maryland yield to the Senator from Pennsylvania?

Mr. TYDINGS. I yield to the Senator for a question.

Mr. REED. Does the Senator know that I am willing to stay here all night to force this joint resolution to a vote?

Mr. BARBOUR. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. BARBOUR. I am ready and anxious to vote now.

Mr. TYDINGS. I yield only for a question.

Mr. DAVIS and Mr. KEAN addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Maryland yield; and if so, to whom?

Mr. TYDINGS. I yield to the Senator from Pennsylvania for a question.

Mr. DAVIS. Mr. President, why can we not vote now?

Mr. TYDINGS. I yield only for a question.

Mr. NORRIS. That is a question.

Mr. KEAN. Mr. President, will the Senator yield?

Mr. TYDINGS. Yes; I yield.

Mr. KEAN. I am ready to stay here not only to-night but every night this week to get an opportunity to vote "yea" on the pending motion.

Mr. TYDINGS. I take it for granted that if we were to call the entire roll, there would not be eight Senators in the Chamber who are not ready to vote now. I think it is a shame that the Senate has to be indicted and criticized as a body, and that the responsibility can not be fixed upon the six or eight men who are ready to filibuster on this proposition at a time like this. I am satisfied that the indictment and the criticism which will flow from this day's proceedings, and which will encompass every one of us, as a matter of fact justly ought to be applied to a very, very few Senators.

Mr. WALCOTT. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Maryland yield to the Senator from Connecticut?

Mr. TYDINGS. I yield to the Senator for a question.

Mr. WALCOTT. I am ready and eager to vote, and vote in the affirmative. It seems to me an outrage that this filibuster is allowed to go on. If it does go on, I am in favor of going on night and day until those engaged in the filibuster are tired out.

Mr. TYDINGS. Mr. President, if I thought there was the slightest chance of this measure being enacted, I would not make the motion which I am about to make; but every Senator in this body knows that it is doubtful if the joint resolution can pass here. He further knows that in the public press the leading member of another body is reported as saying that the joint resolution can not pass the House; that it will not even be submitted to the House in its present form. Why we want to consider something that there is not the slightest chance of passing, with only 14½ days left, is absolutely beyond me.

I wish it were possible that a roll call could be had to find those who want to filibuster on this matter, who want to deny to the American people a vote, not on whether they will be wet or dry but on the form of government and constitution under which they shall live. That is all that is involved here—the right of the people to pass upon their form of government—and yet, with all our boasted democracy, we are afraid to let the people pass upon their form of government. They can reject the amendment if the joint resolution is passed, or they can adopt it.

Mr. COUZENS. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Maryland yield to the Senator from Michigan?

Mr. TYDINGS. I yield for a question.

Mr. COUZENS. Will not the Senator move to suspend the rules, so that we can limit debate?

Mr. TYDINGS. I should be glad to do that; but as I have looked into the matter, with the parliamentary situation as it is at present, as long as this motion is pending there is no way in which we can have a proposition considered to suspend the rules. I thought of that, and submitted it to the Parliamentarian, and he tells me that that would not now be in order.

Mr. President, on behalf of those who favor submitting this amendment to the people, I want to say that a vote to lay this motion upon the table does not mean that we are opposed to submitting this so-called repeal or modification, in whatever form it may pass, to the legislatures or conven-

tions of the States. It simply means that knowing that it can not be adopted, with only 14½ days left, it should be laid aside in order to do at least whatever little bit we can toward bettering conditions in America.

Mr. REED. Mr. President, will the Senator permit a question?

Mr. TYDINGS. I yield to the Senator from Pennsylvania for a question.

Mr. REED. Since we have all, or most of us, promised our constituents that we will favor a submission of this question to them, what will they think of our sincerity if, after five hours and a half of filibuster, we cave in without making any effort to break that filibuster?

Mr. TYDINGS. The Senator's question is a very pertinent one; and I am sure that many of us may be misunderstood. However, I pointed out in my first statement that as soon as the Senator from Texas completes his speech, which I understand is to go on for three or four more hours, the Senator from Iowa [Mr. BROOKHART] is to try to get the floor and speak for four or five more hours; and it was only because I realized that perhaps two or three days of valuable time would be consumed, which we could employ to better use in other fields, that I reluctantly have made this motion, realizing that there is no way to break this filibuster except by laying the motion on the table and devoting our attention to other things.

Therefore, Mr. President, I move—not that we who will vote for the motion are opposed to the general philosophy of this joint resolution, but because it is the only way in which we can make the most of the 14½ days which yet remain—I move, sir, that the motion of the Senator from Wisconsin [Mr. BLAINE] be laid upon the table.

Mr. ROBINSON of Arkansas. Mr. President—

The PRESIDENT pro tempore. The motion is not debatable.

Mr. ROBINSON of Arkansas. The Senator from Maryland has debated his motion by consent of the Senate. I ask five minutes in which to address the Senate regarding it.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the Senator from Arkansas is recognized for five minutes.

Mr. ROBINSON of Arkansas. Mr. President, it is well known that at this stage of the session it is a physical and moral impossibility to pass measures which are filibustered against by an organization in the Senate.

This motion, however, was made by the Senator from Wisconsin [Mr. BLAINE]. He recognizes the difficulties that inhere in the situation. I am advised that he is not disposed to hold this motion before the Senate to the exclusion of other business. I think, however, that he has not had a fair opportunity to determine whether there is, or will be, a persistent, organized filibuster against his motion, and I think he is entitled to some additional time for the consideration of his motion.

Mr. President, this is a pitiable spectacle. It repeats what happened here just a few weeks ago, when with substantially little opposition to a bill, when the opposition consisted of just a few Senators, we were kept in session indefinitely in order to dispose of the Glass banking bill.

I wish to know now whether immediately upon the demonstration of a disposition to filibuster the Senate is going to surrender its right and its opportunity to legislate. If so, I point out to Senators that every bill that is coming on following this motion is liable to encounter the same conditions that are presented here.

One Senator has spoken against the motion of the Senator from Wisconsin. I know that the Senator from Wisconsin does not wish to obstruct legislation. I have talked with him about the matter. I feel that the action of the Senator from Texas in yielding the floor to the Senator from Maryland in order to make a motion to table this motion is in a measure an unfair prejudgment of the attitude of the Senate on this question.

For my part, I recognize, as suggested by the Senator from Maryland, that if there is a persistent filibuster conducted by a number of Senators, it would be impossible to



have a vote on this motion and a vote on this joint resolution providing for submitting a resolution of repeal; but I do not believe that the matter ought to be concluded until it has been developed that there is a determination to prevent a vote, and I do not think that the display of the attitude of one Senator is sufficient to justify this body in reaching that conclusion.

For that reason I shall vote against the motion of the Senator from Maryland.

Mr. KEAN. Mr. President, will the Senator yield?

Mr. TYDINGS. I call for the yeas and nays.

Mr. LA FOLLETTE. Regular order!

Mr. KEAN. I should like to ask the Senator a question.

Mr. TYDINGS. Let us have the yeas and nays.

Mr. KEAN. I want to ask the Senator if he will not bring in a motion for cloture, so that we can have a vote on the merits of this matter.

The PRESIDENT pro tempore. The time of the Senator from Arkansas has expired.

Mr. ROBINSON of Arkansas. I am denied the privilege of replying.

Mr. TYDINGS. I call for the yeas and nays.

The yeas and nays were ordered.

The PRESIDENT pro tempore. The clerk will call the roll upon the motion of the Senator from Maryland [Mr. TYDINGS] to lay upon the table the motion of the Senator from Wisconsin [Mr. BLAINE].

The Chief Clerk proceeded to call the roll.

Mr. BRATTON (when his name was called). I have a pair with the junior Senator from Nebraska [Mr. HOWELL], who is absent from the city on official business of the Senate. I transfer that pair to the senior Senator from Louisiana [Mr. BROUSSARD] and vote "nay."

Mr. FESS (when his name was called). On this vote I am paired with the senior Senator from New York [Mr. COPELAND], who has been called from the Chamber on account of a death in his family. I therefore withhold my vote.

Mr. NORRIS (when Mr. HOWELL's name was called). My colleague [Mr. HOWELL] is absent from the city on official business of the Senate. If he were present and permitted to vote, he would vote "yea."

Mr. SWANSON (when his name was called). I have a general pair with the senior Senator from Illinois [Mr. GLENN]. In his absence I withhold my vote, not knowing how he would vote. If I were permitted to vote, I would vote "nay."

The roll call was concluded.

Mr. BINGHAM. If the senior Senator from Rhode Island [Mr. METCALF] were present, he would vote "nay."

Mr. DAVIS (after having voted in the negative). I have a general pair with the junior Senator from Kentucky [Mr. LOGAN]. Not knowing how that Senator would vote, I withdraw my vote.

Mr. TYDINGS (after having voted in the affirmative). I understand from the announcement of the senior Senator from Connecticut [Mr. BINGHAM] that he believes that the senior Senator from Rhode Island [Mr. METCALF] if present would vote "nay." In view of that announcement, I withdraw my vote.

Mr. SHIPSTEAD. My colleague [Mr. SCHALL] is unavoidably absent from the Senate.

Mr. FRAZIER (after having voted in the affirmative). On this question I have a pair with the junior Senator from Louisiana [Mr. LONG], who is absent from the city. I therefore withdraw my vote.

Mr. FESS. I desire to announce the following general pairs:

The Senator from Delaware [Mr. HASTINGS] with the Senator from Arizona [Mr. ASHURST];

The Senator from Wyoming [Mr. CAREY] with the Senator from Arkansas [Mrs. CARAWAY];

The Senator from Minnesota [Mr. SCHALL] with the Senator from Florida [Mr. FLETCHER];

The Senator from Maryland [Mr. GOLDSBOROUGH] with the Senator from Montana [Mr. WALSH]; and

The Senator from Idaho [Mr. THOMAS] with the Senator from Montana [Mr. WHEELER].

Mr. WAGNER (after having voted in the negative). I transfer my general pair with the Senator from Missouri [Mr. PATTERSON] to the Senator from Ohio [Mr. BULKLEY] and allow my vote to stand.

Mr. FESS. I have been requested to announce that the Senator from Wyoming [Mr. CAREY] is absent on the business of the Senate. If present he would vote "nay."

I also wish to announce that the Senator from California [Mr. JOHNSON] is unavoidably detained. If present he would vote "nay."

The result was announced—yeas 28, nays 39, as follows:

## YEAS—28

Black	Couzens	Hatfield	Russell
Brookhart	Dale	McGill	Sheppard
Bulow	Dickinson	Neely	Smith
Capper	Dill	Norris	Smoot
Clark	George	Nye	Stephens
Connally	Glass	Reynolds	Thomas, Okla.
Costigan	Gore	Robinson, Ind.	Vandenberg

## NAYS—39

Austin	Hale	McKellar	Shortridge
Bailey	Harrison	McNary	Steiwer
Bankhead	Hayden	Moses	Townsend
Barbour	Hebert	Norbeck	Trammell
Barkley	Hull	Oddie	Wagner
Bingham	Kean	Pittman	Walcott
Blaine	Kendrick	Reed	Walsh, Mass.
Bratton	King	Robinson, Ark.	Watson
Byrnes	La Follette	Schuyler	White
Coolidge	Lewis	Shipstead	

## NOT VOTING—29

Ashurst	Davis	Howell	Swanson
Borah	Fess	Johnson	Thomas, Idaho
Broussard	Fletcher	Keyes	Tydings
Bulkley	Frazier	Logan	Walsh, Mont.
Caraway	Glenn	Long	Wheeler
Carey	Goldsborough	Metcalf	
Copeland	Grammer	Patterson	
Cutting	Hastings	Schall	

So the Senate refused to lay on the table Mr. BLAINE's motion to proceed to the consideration of Senate Joint Resolution 211.

The PRESIDING OFFICER (Mr. VANDENBERG in the chair). The Senator from Texas is recognized.

Mr. WATSON. Mr. President—

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Indiana?

Mr. SHEPPARD. I yield if it does not take me from the floor.

Mr. WATSON. I would like to ask the Senator from Wisconsin, in order that Senators may be informed, as to how long he intends to try to hold the Senate in session to-night for the purpose of testing the strength of this filibuster, or getting a vote?

Mr. BLAINE. Mr. President, it is my hope that the Senate will stay in continuous session just so long as it is possible to hold a quorum in order that we may obtain a vote upon the pending motion; as the junior Senator from Utah (Mr. KING) has suggested to me, if it be necessary, that the Senate remain in session during the night.

Mr. TOWNSEND. Mr. President—

Mr. SHEPPARD. I yield to the Senator if it will not take me off the floor.

Mr. TOWNSEND. From the Committee to Audit and Control the Contingent Expenses of the Senate I desire to report—

Mr. BLAINE. I object.

Mr. KING and several other Senators demanded the regular order.

The PRESIDING OFFICER. Objection is made, and the regular order is demanded. The Senator from Texas will proceed.

During the delivery of Mr. SHEPPARD's speech—

Mr. BINGHAM. Mr. President—

Mr. SHEPPARD. I yield for a question.

Mr. BINGHAM. I desire to enter a privileged motion.

Mr. SHEPPARD. I yield with the understanding that it will not take me off the floor.

Mr. BINGHAM. It will not. I have no desire to take the Senator off the floor. I submit the motion which I send to the desk.

The VICE PRESIDENT. The motion will be stated.

The Chief Clerk read as follows:

We, the undersigned Senators, hereby move to bring to a close the debate on the motion of the Senator from Wisconsin [Mr. BLAINE] that the Senate proceed to the consideration of the joint resolution (S. J. Res. 211) proposing an amendment to the Constitution of the United States:

HIRAM BINGHAM.

CARTER GLASS.

F. C. WALCOTT.

W. WARREN BARBOUR.

TASKER L. ODDIE.

HAMILTON F. KEAN.

JAMES F. BYRNES.

BENNETT C. CLARK.

JOHN B. KENDRICK.

KEY PITTMAN.

WARREN R. AUSTIN.

WALLACE H. WHITE, JR.

A. H. VANDENBERG.

ROBERT F. WAGNER.

JOHN J. BLAINE.

FREDERICK HALE.

Mr. SHEPPARD resumed his speech. After having spoken for some time—

Mr. MOSES. Mr. President—

The PRESIDING OFFICER (Mr. MCGILL in the chair). Does the Senator from Texas yield to the Senator from New Hampshire?

Mr. SHEPPARD. I yield for a question, Mr. President.

Mr. MOSES. I am sorry to have missed any portion of the Senator's discussion; but I ask him if, in the progress of his study of the matter of the minorities, he has at all given attention in what he has said to the Senate this afternoon to the question of the minorities involved in that portion of central Europe which is concerned with Rumania and Hungary, let us say; that is to say, the Banat and Transylvania; and, if the Senator has attempted at all to criticize the action of the council of Versailles in the decisions which they made with reference to the minority peoples?

Mr. SHEPPARD. No; I have made no exhaustive study along that line. I should like to have the Senator's opinion regarding it.

Mr. MOSES. I am sorry that the Senator has not spent the wealth of his research and scholarship upon this question, because, if he will know, there is still existing a most acute problem, so far especially as Hungary is concerned, with reference to those territories which were taken into Rumania, let us say, wherein, for example, there were to be found—is the Senator yielding the floor?

Mr. SHEPPARD. Not at all.

Mr. MOSES. The Senator sat down and I wondered if he was yielding the floor—wherein, for example, there were found those acute questions which grew out of the treaty of Versailles with reference to the consideration of the interests and the rights of the minorities—linguistic, racial, and religious.

If the Senator will recall, there were certain provisions in the treaty of Versailles which undertook to set up certain commissions—international in their character, but, after all, American in their results, because the American member happened to be the umpire in each case—to determine the rights of these linguistic, racial, and religious minorities which were set up, and particularly in the section of the globe to which the Senator at this minute has been directing his attention; that is to say, in Central Europe, where in Transylvania, where in the Banat, where in all the interests of Hungary, let us say, without going beyond the confines of any other country, there arose these acute situations.

The Senator, having been here, will remember that I happened to be one of that small group who resisted the ratification of the treaty of Versailles, not with reference at all to the 26 articles which made up the Covenant of the League of Nations, but because of those things in the treaty itself which, as I then foresaw, would produce exactly these international controversies to which the Senator is now paying his attention.

The Senator at that time resisted me in what I had to say, in what I thought, in what I foresaw. Now he joins me apparently in denunciation of the injustices which grew

out of the treaty; and I am glad to welcome him now to the small, diminishing, but still resisting group of the irconcilables. I want to ask him, as he discusses this particular question, Why it is that in the course of what he is having to say regarding these problems of which I have now spoken, which involve the rights and the interests of religions, of races, and of nationalities, he is not willing to point out a remedy?

Inasmuch as the Senator yielded to me only for a question, I now come to the question:

Does the Senator join with me in declaring that the injustices of the treaty of Versailles are of such a character that the Senate of the United States should now denounce them?

Mr. SHEPPARD. Has the Senator concluded?

Mr. MOSES. No; I am waiting for the answer to the question, which may be "yes" or "no."

Mr. SHEPPARD. The treaty of Versailles provided the machinery for the settlement of all these questions—

Mr. MOSES. O Mr. President—

Mr. SHEPPARD. The Senator asked me a question, and he will not permit me to answer it.

Mr. MOSES. I pause for a reply.

Mr. SHEPPARD. The treaty of Versailles set up machinery for the settlement of all these questions when it created the League of Nations; and I suggest that the Senator join with me in joining the League of Nations, so that we can aid in remedying whatever wrongs exist.

Mr. MOSES. Mr. President, if the Senator will permit me, the League of Nations has been adequately described as being an instrumentality for settling small disputes among great nations, and as utterly useless in settling great disputes among any nations. I will join with the Senator if he will join with me in a declaration on the part of the United States Senate that the League of Nations, for example, should now take absolute steps for determining what is going to take place in the Far East; whether we and the League of Nations shall permit the Japanese to go forward in Jehol and Manchukuo, and set up there these wholly irresponsible governments under the ægis of the Japanese flag.

Will the Senator join me in making the protest of the United States effective, in connection with the League of Nations, or any other body, that is to say, to the extent of sending the boys from Texas over there to see to it that the Japanese may not overrun Manchuria?

Mr. SHEPPARD. The Senator has leaped from Rumania to Japan.

Mr. MOSES. And I will cover the whole globe, because that is what the Senator has done.

Mr. SHEPPARD. No; I have confined myself to these minorities, for the present.

Mr. MOSES. I beg the Senator's pardon; the Senator began at Saloniki.

Mr. SHEPPARD. The Senator is not asking me a question now.

Mr. MOSES. All right; I will when I finish.

Mr. SHEPPARD. Go ahead.

Mr. MOSES. The Senator has leaped from Saloniki into the middle East, and his next step, of course, will be into the Far East, and does he intend to take the United States with him? That is my question.

Mr. SHEPPARD. The League of Nations is amply able to settle all those questions.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. SHEPPARD. Does the Senator want to ask the Senator from New Hampshire a question?

Mr. BARKLEY. I want to ask the Senator from Texas whether the League of Nations has under consideration now the repeal of the eighteenth amendment? [Laughter.]

Mr. SHEPPARD. The League of Nations?

Mr. BARKLEY. Yes.

Mr. SHEPPARD. The League of Nations has a strong organization for the study and control of the liquor traffic,



and that organization, I am sure, would be against the repeal of the eighteenth amendment.

Mr. BARKLEY. Has the League of Nations the repeal of the eighteenth amendment under consideration at this time?

Mr. SHEPPARD. It has the eighteenth amendment under consideration at times, because it has the effects of the liquor traffic in all countries under consideration.

Mr. BARKLEY. When will the League of Nations vote on the repeal of the eighteenth amendment? Will it vote on it as soon as we vote on it?

Mr. MOSES. Mr. President, will the Senator from Texas yield to me?

Mr. SHEPPARD. No; the Senator may answer in a moment.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. SHEPPARD. In just a moment. I hope Senators will not all ask me questions at once.

Mr. TYDINGS. I will not; I am going to be fair. Will the Senator yield?

Mr. SHEPPARD. The League of Nations, through one of its organizations, as I have said, has the prohibition question under constant consideration.

Now I yield to the Senator from Maryland.

Mr. TYDINGS. Does not my friend the Senator from Texas know that in that pink cup which I lately deposited on his desk there is nothing but water, without even the slightest trace of alcohol in it?

Mr. SHEPPARD. I am afraid the Senator put half of one per cent in it. [Laughter.]

Mr. MOSES. Mr. President, in reference to what the Senator from Kentucky has said, if he had been here, and had followed with as close attention as I have—

Mr. SHEPPARD. Is the Senator asking me a question?

Mr. MOSES. I am going to.

Mr. SHEPPARD. I wish the Senator would, because I want to finish this address by 10 o'clock.

Mr. MOSES. Mr. President, if I conclude with a question I am within the rules. If the Senator from Texas wishes to take me off my feet, all right. [Laughter.]

Mr. SHEPPARD. No, Mr. President; I am not trying to take the Senator off his feet.

Mr. MOSES. Is the Senator from Texas going to let me ask a question or is he not?

Mr. SHEPPARD. My friend the Senator from New Hampshire knows that I want to be fair with him. He did not seem to be asking a question, and I simply called that to his attention. Now, let him ask me a question.

Mr. MOSES. All right; I thank the Senator very much. The Senator from Kentucky made a reference with regard to the pendency of the question. If the Senator from Kentucky had been here as continuously as I have, either in the chair or on the floor, and had listened to the argument made by the Senator from Texas, the Senator from Kentucky would have known that I this afternoon opened my discussion by referring to the intimate relationship of the question before the Senate to the argument which the Senator from Texas was presenting; and, having called attention to that, I now join with the Senator from Kentucky in asking the Senator from Texas just where does he connect any portion of what he has said, aside from that which related to Macedonia, to the question immediately before the Senate?

Mr. SHEPPARD. Through the bureau of the league for the control of the traffic in intoxicating liquors.

Mr. MOSES. May I ask another question?

Mr. SHEPPARD. Certainly.

Mr. MOSES. Has the United States a representative in that bureau, either as an observer or as a member?

Mr. SHEPPARD. It may have an unofficial observer, because it has been the practice of the Republican administration to haunt the back door of the league and have unofficial observers present on all occasions.

Mr. MOSES. May I ask the Senator another question?

Mr. SHEPPARD. We were a backdoor member of the League of Nations. I know we became so over the Senator's protest.

Mr. MOSES. Why does the Senator say "was"? Does the Senator regard the Republican administration as already in the past tense?

Mr. SHEPPARD. Yes, it is already dead.

Mr. MOSES. Without question, that is true, Mr. President, if the Senator will permit me to say so; the Republican Party is no longer in control of this branch of the Congress or the one at the other end of the Capitol.

Mr. SHEPPARD. I thank the Senator for his illuminating contribution to the debate.

Mr. MOSES. That was shown by the vote we had here the other day on the question of going into executive session.

Mr. SHEPPARD. I am always glad to have the Senator interrupt.

Mr. BARKLEY. Mr. President, I have no desire to delay the Senator from Texas, because I know how anxious he is to draw his remarks to an immediate conclusion, in which all of us join, I may say; but what I wanted to know was, when will the League of Nations vote on the Blaine resolution?

Mr. SHEPPARD. I can not give the Senator that information. It will not vote on it but it is interested in prohibition.

Mr. BYRNES. Mr. President, will the Senator yield to me?

Mr. SHEPPARD. I yield.

Mr. BYRNES. Could the Senator tell us when the United States Senate will vote on the Blaine resolution?

Mr. SHEPPARD. I think it will vote some time tomorrow.

Mr. BYRNES. That is comforting.

Mr. MOSES. Mr. President, may I ask the Senator another question?

Mr. SHEPPARD. I will state to the Senator from South Carolina that I am making a connected legitimate speech on an important subject. I have not asked for a quorum call. I have attempted no undue delay, and I intend to finish shortly. To say that one is engaged in a filibuster when he speaks one day at the beginning of a debate, and does not speak any more, is entirely unjustified, and I do not think the Senator from South Carolina would join any one else in saying I am filibustering.

Mr. BYRNES. I simply asked the Senator if he could give us some indication as to when the United States Senate would vote on the Blaine resolution, and the Senator has said to-morrow. As far as the Senator from Texas is concerned, will he say that he will not seek to prevent a vote on the resolution to-morrow?

Mr. SHEPPARD. I am not seeking to prevent a vote.

Mr. BYRNES. And that after this night he will do nothing to prevent a vote?

Mr. SHEPPARD. I am not making an effort now to prevent a vote. I am simply making a speech on a very important subject.

Mr. MOSES. Mr. President, I would like to present a unanimous-consent request.

Mr. SHEPPARD. I would like to finish now.

Mr. MOSES. I ask unanimous consent—

The PRESIDING OFFICER. Does the Senator from Texas yield for that purpose?

Mr. SHEPPARD. No; I do not yield for that purpose.

Mr. SHEPPARD resumed his speech. After having spoken for some time—

Mr. LEWIS. Mr. President, may I call the attention of my able and learned friend to the fact that Lord Robert Cecil was representing England? It was Smuts who represented South Africa.

Mr. SHEPPARD. Lord Cecil represented South Africa by request.

Mr. LEWIS. That is a matter of which I was not cognizant. I was present at some of the conferences, but was not acquainted with that detail.

Mr. TYDINGS. Mr. President, will the Senator yield to me?

Mr. SHEPPARD. I yield.

Mr. TYDINGS. Did I understand the Senator to say that Mr. Smuts was not representing anybody?

Mr. SHEPPARD. He was representing South Africa, too.

Mr. TYDINGS. Lord Robert Cecil and Mr. Smuts both were representing South Africa?

Mr. SHEPPARD. That is true, if I am correctly advised.

Mr. TYDINGS. That was rather a complete representation.

Mr. SHEPPARD. I think so myself.

Mr. SHEPPARD continued his speech. After having spoken some time he said:

Mr. President, I ask that the statement under the title "Armenian and Greek Refugees" may be printed in the RECORD without reading.

The VICE PRESIDENT. Is there objection?

Mr. MOSES. Mr. President, I would like to ask the Senator to state briefly what is set forth under that heading.

Mr. SHEPPARD. Would the Senator like to hear it read?

Mr. MOSES. I would like to have a summary in the Senator's own words.

Mr. SHEPPARD. I shall read it for the Senator.

Mr. MOSES. If it means what was done by Doctor Nansen and by the League of Nations, association, or whatever they call it, in Athens, which seized the palace of Prince Nicholas and lived in it without rent and tried to charge up the expense to the United States—if that is what the Senator has in mind, I want it read and I want to discuss it with him.

Mr. SHEPPARD. I shall read it, but the Senator did not ask me a question.

Mr. MOSES. Very well. Will the Senator read it and say whether it has to do with what I have just mentioned?

Mr. SHEPPARD. I shall read it.

Mr. MOSES. Just a minute.

Mr. SHEPPARD. I decline to yield further.

Mr. MOSES. May I finish—

Mr. SHEPPARD. I decline to yield further.

Mr. MOSES. May I not finish my question?

Mr. SHEPPARD. I decline to yield further.

Mr. MOSES. I submit to the inevitable.

Mr. SHEPPARD. I decline to yield further.

The VICE PRESIDENT. The Senator from Texas declines to yield further.

Mr. SHEPPARD. I shall read it to the Senator.

After the conclusion of Mr. SHEPPARD's speech—

Mr. MOSES. Mr. President, will the Senator yield to me for a question?

Mr. SHEPPARD. I yield.

Mr. MOSES. The Senator was speaking just now, was he not, of that period when the League of Nations arranged for a loan to Austria, at the time when the Abbé Seipel was the Chancellor of Austria? Is not that so?

Mr. SHEPPARD. I take it the Senator is familiar with that matter.

Mr. MOSES. The Senator has just been talking about it at length.

Mr. SHEPPARD. Yes; but I have not gone completely into the history of Austria.

Mr. MOSES. This is not the history of Austria, Mr. President; it is the history of the League of Nations in connection with the Austrian Government, and I am asking the Senator whether he has not been speaking of that period when the League of Nations arranged for a loan to the Austrian Government.

Mr. SHEPPARD. It began its arrangements for the loan then; yes.

Mr. MOSES. It was about 1923, was it not?

Mr. SHEPPARD. Yes; it began to make the arrangements then.

Mr. MOSES. Does the Senator know the history of that loan?

Mr. SHEPPARD. I know something about it.

Mr. MOSES. Will the Senator be good enough to tell the Senate the history of that loan—how much of it was paid, how often the interest was paid, how often they had to readjust it?

Mr. ROBINSON of Arkansas. I object, Mr. President. [Laughter.]

Mr. SHEPPARD. That would require a speech of almost the same length as the one I have made. I respectfully decline to answer to that extent.

Mr. MOSES. I am entirely willing to listen. Will the Senator permit still further questions? Does the Senator still yield to me for further questions?

Mr. SHEPPARD. I surrender the floor.

Mr. MOSES. I do not want the Senator to surrender the floor. I am seeking information.

Mr. McNARY. Mr. President—

The VICE PRESIDENT. The Senator from Oregon is recognized.

Mr. McNARY. I ask unanimous consent that the Senate shall vote on the pending motion at 1 o'clock to-morrow afternoon.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. BROOKHART. Mr. President, in view of the agreement to vote at 1 o'clock, it occurs to me that we should modify the agreement previously entered into to meet at 11 o'clock. Some of us want to attend committee meetings in the morning.

The VICE PRESIDENT. The unanimous-consent agreement previously entered into is to recess until 11 o'clock to-morrow morning.

Mr. BROOKHART. I am wondering if the Senator from Oregon will not agree to modify that agreement?

Mr. McNARY. Mr. President, in view of the fact that we have a unanimous-consent agreement to vote at 1 o'clock to-morrow, and in order to accommodate the Senator from Iowa and others, I ask unanimous consent that the order by which we agreed to meet at 11 o'clock to-morrow morning be vacated, and that when the Senate takes a recess to-night it shall be until 12 o'clock noon to-morrow.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

#### ADDITIONAL REPORTS OF A COMMITTEE

Mr. BINGHAM, from the Committee on Territories and Insular Affairs, to which was referred the bill (S. 5408) relating to the revolving fund established by the joint resolution of December 21, 1928, for the relief of Puerto Rico, reported it without amendment and submitted a report (No. 1224) thereon.

He also, from the same committee, to which was referred the joint resolution (S. J. Res. 183) to amend a joint resolution entitled "Joint resolution for the relief of Porto Rico," approved December 21, 1928, as amended by the second deficiency act, fiscal year 1929, approved March 4, 1929, reported it with amendments and submitted a report (No. 1225) thereon.

#### RECESS

Mr. McNARY. I now move that the Senate take a recess until 12 o'clock noon to-morrow.

The motion was agreed to; and the Senate (at 10 o'clock and 5 minutes p. m.) took a recess until to-morrow, Wednesday, February 15, 1933, at 12 o'clock meridian.

## HOUSE OF REPRESENTATIVES

TUESDAY, FEBRUARY 14, 1933

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Have mercy upon us, O God, according to Thy loving kindness. According to the multitude of Thy tender mercies, blot out our transgressions. O speak to us, dear Lord, and a sense of quiet duty, quiet thought, and freshness of energy of life shall steal upon us. Life is so varied; there is such an array



of possibilities! O let us work in the spirit of a noble faith and consecration. Then we shall realize Thine approval and our labors shall live in the heart of our Republic. Let Thy rule of justice and righteousness be our master law. By wise and persistent effort may we seek constructive good and understand that true merit lies in hard work and personal sacrifice. Hear our prayer we beseech Thee. In the name of Jesus our Savior. Amen.

The Journal of the proceedings of yesterday was read and approved.

#### MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had agreed to the amendments of the House to bills of the Senate of the following titles:

S. 220. An act authorizing adjustment of the claim of the Van Camp Sea Food Co. (Inc.); and

S. 3438. An act authorizing adjustment of the claim of Lindley Nurseries (Inc.).

The message also announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 13710) entitled "An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1934, and for other purposes."

The message also announced that the Senate had passed with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 14199. An act making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1934, and for other purposes.

The message also announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 6456. An act to amend section 98 of the Judicial Code, as amended.

The message also announced that the Senate disagrees to the amendments of the House to the joint resolution (S. J. Res. 223) entitled "Joint resolution establishing the United States Georgia Bicentennial Commission, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. FESS, Mr. BINGHAM, and Mr. McKELLAR to be the conferees on the part of the Senate.

#### AMERICAN SAMOA

Mr. POUL, from the Committee on Rules, submitted the following resolution (H. Res. 378), which was referred to the House Calendar and ordered printed:

#### House Resolution 378

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 417, an act to provide a government for American Samoa. That after general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Insular Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

#### INTERIOR DEPARTMENT APPROPRIATION BILL, 1934

Mr. TAYLOR of Colorado. Mr. Speaker, I submit a conference report and statement upon the bill (H. R. 13710) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1934, and for other purposes, for printing under the rules.

#### CALENDAR WEDNESDAY BUSINESS

Mr. RAINEY. Mr. Speaker, I ask unanimous consent that business in order on Calendar Wednesday be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

#### NIGHT SESSION THURSDAY, FEBRUARY 16, 1933

Mr. RAINEY. Mr. Speaker, I move the adoption of a resolution (H. Res. 379) which I send to the desk.

The Clerk read as follows:

*Resolved*, That on Thursday, February 16, 1933, it shall be in order to move that the House take a recess until 8 o'clock p. m., and that at the evening session, until 10.30 o'clock p. m., it shall be in order to consider bills on the Private Calendar unobjected to in the House as in Committee of the Whole, the call of bills on said calendar to begin where the last call ended.

The SPEAKER. Without objection, the resolution will be agreed to.

There was no objection.

#### DISTRICT OF COLUMBIA APPROPRIATION BILL, 1934

Mr. CANNON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 14643) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1934, and for other purposes. Pending that, I would like to reach some agreement as to time with the gentleman from Illinois.

Mr. HOLADAY. I may say to the gentleman from Missouri that I have additional requests for time; and perhaps when gentlemen who did not speak Saturday find there is opportunity they may wish to speak to-day.

Mr. CANNON. Would it be agreeable to let the general debate run along for the present and close debate later on?

Mr. HOLADAY. That will be satisfactory.

Mr. CANNON. Mr. Speaker, I ask unanimous consent that time for general debate be divided equally between the gentleman from Illinois and myself.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 14643, with Mr. PRALL in the chair.

The Clerk read the title of the bill.

Mr. CANNON. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, there remain only 14 working days of this session of this Congress. There is barely time remaining in which to pass the supply bills without attempting to take up other legislation. But there is one bill which should have consideration and should be disposed of before Congress adjourns. It is a bill which has the unqualified indorsement of every thinking business man in the country to-day. That is a strong statement, but I believe it is true. I have yet to hear a single Member of the House express disapproval of it.

Mr. Chairman, these are critical times. Just a little while ago this was the most prosperous country in the world. Our people enjoyed the highest standard of living with which any country or any people have ever been blessed.

To-day 12,000,000 men are unemployed. Our factories are closed. Our fields lie untilled, and millions of people are being fed at public expense.

But, as serious as this situation is, it is not so bad that it could not be worse. And it is infinitely worse when the local bank pulls down its blinds, places a notice on the window, pushes the long line of panic-stricken depositors out into the street, and closes its doors.

In every community the bank is the nerve center of the local business system. Through it flows the life pulse of the community's commercial interests, and no greater catastrophe can befall a community than the failure of its banks.

And yet in the last few years this disaster has overtaken more than 10,000 communities in the United States. For many years the failure of a bank even in the smallest town in the United States was news. It was carried in headlines on the front page of the newspapers. There were many States in which there was not a single bank failure in a



year. In some States there was not a bank failure in 20 years.

But to-day it is such a common occurrence that it attracts little attention. The newspapers give a bank failure a line or two in an obscure inside corner. Bank failures have become the order of the day; and the tragic thing about it is that this Government, this administration, and this Congress have had a very large part in closing many of these banks.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. CANNON. Not just now.

Of course, it is absurd to say that any man or group of men would willingly or knowingly take any step that would bring disaster to a bank or to the business interests of any community. No man in his sane mind would think of such a thing. But the fact remains that, whether wittingly or unwittingly, this Congress has broken a thousand banks and is continuing to break them in every State in the Union. Intentionally or unintentionally, the Government in the last 10 or 12 years seems to have taken every possible step to embarrass and handicap the banks of the country.

There has been a great deal of talk about the Government in business, and Members of the House are insisting that the Government be taken out of business, and yet there is no business which has had to meet the competition from the Government that our banks have had to meet. Through the Postal Savings System the Government has gone into the remotest hamlet in the country and has sucked from its banks its surplus funds and siphoned them over into the depositories in the great commercial and financial centers.

The Government is supplying the keenest competition with which our banks have to deal to-day. It is bidding for every dollar in the trade territory of the average bank—and this is especially true in the agricultural sections. Although the deadly effects of the competition is apparent to all observers, the Postal Savings System is being constantly extended, and in the last year new units have been installed in every part of the country. They are advertising for business through every known channel of publicity and are drawing funds from the smaller banks into the central depositories at an alarming rate. To indicate the rapidity with which funds are being transferred from the inland banks to these depositories, on March 1, 1931, the total deposits reported by the Postal Savings System amounted to \$175,000,000. On December 1 of that year they had grown to \$550,000,000, an increase of over 200 per cent in nine months. By March 1, 1932, they aggregated \$692,620,882, and on the first day of the current year, January 1, 1933, they had reached \$900,238,726. At this rate of increase, by March 1 of this year they will have passed the \$1,000,000,000 mark, an increase of more than 500 per cent in two years.

A billion dollars taken out of the home banks at the most critical time in the financial history of the Nation. A billion dollars which belongs back home where it was earned, where it was accumulated, where it is owned, and where it should be to-day rendering service to the people who produced it. The steady withdrawal of this vast sum at this critical time has contributed directly to the closing of many banks, and it is not stating the case too emphatically to say that it has been one of the determining factors in the misfortune of every bank which has had to close its doors.

[Here the gavel fell.]

Mr. CANNON. Mr. Chairman, I yield myself 10 minutes more.

The Government again forces itself into competition with the banks of the country by its campaign to sell Government bonds to the small depositor. And it has the effrontery to insist that the bank act as an agent in these selling campaigns, and to demand that they push these bonds to their customers.

What happens when a Government bond is sold in this crisis? The transaction takes from the community—which needs money as it never needed it before—the price of the bond and leaves the local bank just that much less able to finance the local needs for which the bank is responsible.

In order to be certain not to overlook a single loose penny that a depositor of the little country bank may have, the Government has reduced the denomination of these bonds until they can be bought in denominations as low as \$50. Now no one disapproves of the purchase of Government bonds. They are the safest investments in the world and should be available to all who want them. But we do object to the frequent and insistent campaigns of the Government to dissatisfy the small investor with the time deposit certificate of his local bank. In effect it neutralizes the efforts of the Reconstruction Finance Corporation to help the banks and nullifies practically every effort of other departments of the Government to protect them from the depression panics which from time to time sweep every banking territory.

Let us consider the situation of the average country bank to-day. Upon the recommendation and insistence of both State and Federal banking officials, the banks began three or four years ago to take their money out of farm loans, out of local business enterprises, and invest it in bonds. Government authorities, both State and Federal, insisted that this be done for the sake of safety, or, as they said, in order to keep the banks liquid. "Keep liquid" was their slogan and, in response to these instructions to keep liquid, the banks began to withdraw their funds and invest them in bonds. What has happened to these bonds? They have depreciated until to-day they are worth from a fraction of their former value to nothing—and a great many of them are worth absolutely nothing. The best of them have fallen to a point where to cash them involves a tremendous loss.

Now the Government comes in and takes money from these banks through the Postal Savings System or through the sale of its bonds to the bank's customers. What follows? The bank must realize on its negotiable securities. It must take these bonds it bought at par and sell them on the open market at any price it can get. Triple A bonds, which they had every reason to believe would always be worth face value, and which they were told by the Government officials who insisted that they buy them, would always bring the amount put into them any day they wanted to cash them, must be sold at any sacrifice.

Mr. GLOVER. Will the gentleman yield for a question?

Mr. CANNON. Pardon me. Not just now.

If they could hold these bonds until they mature, or until the effects of the depression are past, there would be no loss. But the Government will not let them wait. It takes money out of the bank and puts it into the postal savings system. It draws the customers' funds out of the bank to buy Government bonds. It must have its pound of flesh. And the bank must sacrifice its assets to supply the money. It must sell its bonds at a discount and shoulder its loss until the burden becomes unbearable. Then the bank goes down and the community suffers a financial wreck from which it will not recover for a generation to come.

The latest discrimination against the local bank is the publicity given those banks unfortunate enough to borrow from the Reconstruction Finance Corporation. This agency for advancing funds to banks which hold good collateral but lack ready cash would be of invaluable service. It affords a much needed facility and should be available to any bank in temporary need. But the publication of the names of such banks and the significance of such loans are so misunderstood and misinterpreted by the public in their present disturbed state of mind that these newspaper articles have precipitated runs which have resulted most disastrously.

Every month the newspapers carry on the first page under scare headlines the name of every bank that has borrowed from the Reconstruction Finance Corporation, and the next morning the line of depositors begins to form at the teller's window of every bank named in the list, and this valuable Government agency which was intended to save our banks has through this one absurd requirement become the very instrument of their destruction.

If you will look over the reports of the liquidating agent on the banks which have closed, you will find listed among



the liabilities of every one of them a loan from the Reconstruction Finance Corporation. And the crash followed closely on the heels of the announcement of that loan in the newspapers.

All information relative to the loans and other activities of the Reconstruction Finance Corporation should be available to Members of Congress and other interested public officials. But the nation-wide advertisement of every bank which applies for a loan should be promptly and permanently abandoned. You might as well administer a dose of strychnine. The situation in Michigan this morning is a fair sample.

But as serious as are the inroads of these various governmental activities, there is one particular imposition by the Federal Government which is inflicting a greater injury on the banks of the country than all of them combined. It is doing more harm than the Postal Service or the Government bond campaigns or the publication of Reconstruction Finance Corporation loans.

It is breaking banks every day, and it will continue to break them as long as it is permitted to operate.

The CHAIRMAN. The time of the gentleman from Missouri has again expired.

Mr. CANNON. Mr. Chairman, I yield myself 10 minutes more.

When President Hoover submitted his Budget estimate at the opening of the last Congress—just a little over a year ago—recommending a program for Federal taxation, he transmitted with his message the annual report of the Secretary of the Treasury outlining the proposed tax schedule in specific items. Far down in the labyrinth of this report was a brief line—just a single clause, less than a dozen words—"a stamp tax of 2 cents on each check." I do not know what was in the minds of the committee to which the bill was referred, but I do not believe the average Member of the House gave a thought to that line. Here was a proposal to impose drastic taxes on 1,700,000 people—taxes in some instances running up into the hundreds of thousands on a single corporation or individual. The average Member of the House hardly gave a second thought to a proposal to tax somebody 2 cents. I emphasize that because I do not believe it would ever have been included in the bill, if attention had not been diverted to larger amounts and to debates over the sales tax, the oil tax, the lumber tax, and every other sort of tax that human ingenuity could devise. But it has wrought greater havoc in the few months it has been in force than any other one tax ever imposed by the American Congress. Its effect on the banks and especially on the country banks has been deadly.

In the first place, it imposes an unfair and inequitable burden on the bank by requiring the bank to collect the tax and supply a costly and irritating service for which it receives no return.

President Hoover and Secretary Mellon specified a "stamp tax." The tax as imposed during the Spanish-American War was a stamp tax. The customer bought his own stamps and affixed them and all the bank had to do was to see that the stamp was there when the check was cashed. But under the law as finally adopted the banks are charged with the responsibility and expense of acting as a collection agency and saddled with a great amount of extra bookkeeping and all attendant expense without fee or compensating remuneration of any kind whatever.

That disadvantage, however, is small compared with the effect of the tax on deposits. The Government has given a great deal of attention in recent months to discouraging hoarding. This tax effectually neutralizes any effect the antihoarding campaigns may have had. Customers announce that they will not pay to check their own money out of a bank, and the withdrawal of accounts—especially in the rural districts, where the tax on one check this summer amounted to a third of the price of a dozen eggs—has been in the nature of an epidemic. As a result millions of dollars are now in hiding, carried around in pockets, or sequestered in safety-deposit boxes or buried in sardine cans or tucked away in the proverbial sock.

Incidentally, merely one of the by-products of the evil is its acceleration of the crime wave. The fact that people are now known to carry cash instead of a check book and secret money about the premises instead of depositing it in the bank is an open invitation to the footpad and the second-story man. Business firms with large pay rolls have discontinued the use of checks and are paying their employees in cash. We had an instance of the unhappy results of this method of payment when two paymasters were held up a block from the Capitol here the other day and one killed and the other seriously wounded. We read in the newspapers this morning of a veteran of the Civil War so savagely tortured to make him reveal the hiding place of his savings that he died last night. Such instances are of common occurrence.

But that is incidental. I want to emphasize the extent of this withdrawal of accounts and the consequent decline in bank deposits and in the circulating medium immediately following the imposition of this tax.

Reports from the 12 reserve banks confirm the general trend away from payment of bills by check following the imposition of the tax and the loss of deposits on that account. No less a personage than Gov. Eugene Meyer, of the Federal Reserve Board, is given as authority for the statement that the tax on checks has been a noticeable factor in the withdrawal of bank deposits and the increase of currency in circulation. Some banks in my own State with which I had personal contact report a loss as high as 50 per cent of their deposits as result of the tax. It is no exaggeration to say that this tax has taken money out of every bank in the country, has reduced business transactions to a primitive basis of barter and sale or cash in hand, and, most unfortunate of all, it has greatly reduced the amounts available in agricultural banks for farm loans.

It is axiomatic that a dollar in the bank will support \$10 of purchasing power in the community, but a dollar in the pocket is only a dollar. A bank can lend only in proportion to its deposits. The reduction of deposits inevitably means a restriction of credits and the refusal of loans or the calling of loans at a time when farm credit is desperately needed. The farmer no longer has any other source of credit. He can not borrow from the insurance companies. He can not borrow from the Federal land banks. He can not borrow from the local money lender, who now invests his surplus in Government bonds. In brief he can not borrow a dollar to finance his crops from any other source except his local bank, and when this tax drains the credit reservoirs of that bank he is left with no hope of securing means to operate his farm. This provision in the revenue law taxing bank checks is drying up the last remaining source of farm agricultural credits at a time when it is a matter of life and death not only to the farm but to the Nation.

Mr. MAY. And at the same time the measure failed to yield the anticipated revenue.

Mr. CANNON. Unfortunately that is true. The tax is failing in the purpose for which it was enacted. It is not bringing in the revenue anticipated at the time of its enactment. Every Member of Congress received a circular from a New York firm last week advertising a system under which 90 per cent of the tax on checks could be avoided. Large business concerns are availing themselves of the loopholes in the law while the small depositor pays the tax or discontinues his account. At the time it was under consideration it was predicted the tax would produce revenue at the rate of \$95,000,000 a year. Later those figures were revised to \$78,000,000. But reports by the Treasury Department now indicate that it will not bring in half of that amount, the returns to date being: June, \$1,094,287.34; July, \$3,364,251.06; August, \$3,793,136.51; September, \$3,538,415.37; October, \$3,835,995.76; November, \$3,642,530.06; aggregating to date of last report \$19,268,616.10. At that rate it can not bring in much more than \$40,000,000 a year. And in the meantime it is doing a thousand times \$40,000,000 worth of damage to the country at large. [Applause.]

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. CANNON. With pleasure.

Mr. BLANTON. During the last six days of this Congress the Speaker can recognize any Member he is willing to recognize to pull a bill out of his hip pocket that never even has been sent to a committee to pass it under suspension of the rules. I wish my friend from Missouri would prepare such a bill and get the Speaker to let him call it up under suspension and repeal this tax of 2 cents on bank checks and repeal the law that caused the increase of postage from 2 cents to 3 cents, so that the letter postage will be 2 cents again, and repeal the tax on electrical current that the poor people all over the country can not afford to pay, which above taxes should never have been passed; and if the Speaker will recognize him and let us pass it under suspension of the rules and get it passed in the other body before we adjourn we will grant much relief to the people. It will be the least that should be done for the American people. [Applause.]

Mr. CANNON. I sincerely hope that the suggestion of the gentleman from Texas can be carried into effect. There would be no difficulty securing the requisite two-thirds vote.

Mr. CLARKE of New York. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I am always glad to yield to my friend from New York.

Mr. CLARKE of New York. I am heartily in accord with the suggestion of the gentleman from Texas; but in addition to that would it not also be well to couple with those things a provision to stop the publication of the names of borrowers who go to the Reconstruction Finance Corporation for money?

Mr. CANNON. They are all excellent measures, and every one of them should have consideration.

Mr. CLARKE of New York. Then why should we not stand up here and assert our rights?

Mr. CANNON. The gentleman can count on my standing with him.

Mr. CLARKE of New York. I am in the minority, but I am willing to join hands with the gentleman to-day or to-morrow or next week to get something done along these lines. [Applause.]

Mr. CANNON. Permit me to again call the attention of the House to the effect of this tax on the farmer. There is no source from which the farmer can get credit to finance his farm operations to tide him over during the peak of the crop season except the little country bank, and when you take the country bank away from him you take away the last source of credit to which he can apply. And remember this: You will never bring this country back to prosperity until you start with the farmer. [Applause.] As soon as you restore the farmer's purchasing power he is going to the merchant. The merchant orders from the factory. The factories go out on the streets and call in the unemployed, and prosperity is on its way back again; but we will never start it back until you begin with the farm. [Applause.]

The CHAIRMAN. The time of the gentleman from Missouri has again expired.

Mr. CANNON. Mr. Chairman, I yield myself 10 additional minutes.

I wish you gentlemen who represent city constituencies and you who represent labor constituencies would realize the importance of cooperating with us in this matter. It is your battle as well as our battle.

Mr. BLAND. Will the gentleman yield?

Mr. CANNON. With pleasure.

Mr. BLAND. Will the gentleman indicate the bill to which he referred, which he said should be passed within the next 14 days?

Mr. CANNON. It is a bill introduced in the last session, House Joint Resolution 463, now pending before the Committee on Ways and Means, repealing one clause in the revenue act, the 2-cent tax on checks. The tax should be repealed before this session adjourns. It is breaking banks every day and will continue to break them until it is repealed. It ought to go to the Senate in the next 14 days. [Applause.]

Mr. BALDRIGE. Will the gentleman yield for a question?  
Mr. CANNON. Certainly.

Mr. BALDRIGE. We all agree absolutely with what the gentleman has just said, but why do not the leaders of this House step up and do what the gentleman has suggested?

Mr. CANNON. I believe it is because good fellows like the gentleman and myself have failed to call it to their attention. Now is the time to remedy that omission. The bill can be passed if we can secure a vote on it. I have yet to talk with a single Member of the House who does not want to repeal it, and who does not say that every man in his district who has expressed himself on the subject wants it repealed.

Mr. CLARKE of New York. If the gentleman will furnish the leadership I will help furnish the followers on this side.

Mr. BALDRIGE. We all feel the same way as the gentleman about this matter, but it does not mean much unless the leaders will let it go through.

Mr. CANNON. I have never heard of the leaders on either side of the aisle opposing it.

Mr. SCHAFER. Will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Wisconsin.

Mr. SCHAFER. In view of the fact that the gentleman's party controls the House, and in view of the fact that we have been adjourning every day at 3.30 and 3.45 and 4 o'clock, day after day, will the gentleman not ask the leaders, instead of adjourning at 4 o'clock this afternoon or to-morrow, to sit later and give the House an opportunity to consider some of these measures?

Mr. CANNON. We shall be glad to sit to-day as long as the gentleman desires.

This is the most objectionable of all the nuisance taxes. If the Government had deliberately planned to destroy rural credits it could not have adopted a more effective weapon. The fact that the injury was not foreseen and is wholly unintentional is all the more reason why it should be repealed as speedily as possible. Only 14 days of the session remain. The time is short. It is to be hoped that in that time the Committee on Ways and Means will find a way to permit us to vote on the question. [Applause.]

Mr. HOLADAY. Mr. Chairman, I yield five minutes to the gentleman from Illinois [Mr. CHINDBLOM].

Mr. CHINDBLOM. Mr. Chairman, I am sure the entire Membership of the House has listened not only with much interest but with some amazement to the speech of the gentleman from Missouri [Mr. CANNON]. Personally I want to congratulate him upon his courage and frankness in discussing some of our economic ills and particularly the condition of the banks at this moment. It happens that to-day some very disconcerting news has come to us in regard to the banking situation.

I find myself in much agreement with what the gentleman from Missouri has said, but I want to say to him in all kindness that some Democratic chickens appear to be coming home to roost. The gentleman denounced the publicity of the loans made by the Reconstruction Finance Corporation. I have denounced that publicity and voted against that proposal, but the leadership on the Democratic side of the House compelled the House to adopt the measure under which that publicity must be given to the loans of the Reconstruction Finance Corporation. The gentleman said something about the present 2-cent tax on checks. Why, bless you, that tax is one of the numerous substitutes proposed in this House last year after the Democratic side of the House—I will not say the leadership but the Democratic Membership of the House—had destroyed the manufacturers' sales tax. We Republicans, all the Republicans on the Ways and Means Committee and a large majority of the Republicans in the House, supported that tax, but the Democratic majority on the Ways and Means Committee were deserted by four-fifths of their party colleagues, who forced the substitution for the manufacturers' sales tax of a hodgepodge of miscellaneous revenue proposals—the 2-cent tax on checks, the gasoline tax, the increased tax on trades



on produce exchanges, the increase of postage rates, and a lot of other discriminatory and special taxes—many of which have been designated as “nuisance” exactions, often producing small revenue but irritating and vexatious to the public. That is the history of the revenue act of 1932.

Mr. CANNON. Mr. Chairman, will the gentleman yield for a moment?

Mr. CHINDBLOM. Yes.

Mr. CANNON. May I suggest to the gentleman, in all comity, that this is a matter from which partisanship should be divorced. This is a matter on which we should get together for the good of the country. Let us not seek to make political capital out of the distress of the Nation. Let us lay aside other considerations and cooperate to secure the repeal of this destructive tax and save the rest of our banks.

Mr. CHINDBLOM. I agree with the gentleman. Let us look the facts in the face. If you do not like the 2-cent tax on checks, if you do not like some of these other discriminatory taxes in the revenue act of 1932, why not let us get together, both sides of this House and all the Members of this House, and frame some other legislation? [Applause.]

The Committee on Ways and Means have determined that they will not consider any revenue legislation at this session of the Congress. So far as revenue legislation is concerned, that form of relief seems to have gone by the board.

The gentleman speaks about the sale of Government bonds to banks. Government bonds must be sold. Money must be obtained for the necessary expenses of the Government so long as Congress does not reduce expenditures sufficiently and so long as adequate means of revenue are not provided.

I agree with the gentleman entirely on the subject of postal savings deposits. I think the Government is engaged in a savings-bank business through the medium of the postal savings deposit system from which it should withdraw as soon as possible. It is another instance where the Government has invaded the field of private enterprise, private banking; but we have it, and to-day it happens to be the only place where many people of the country feel they can with any safety deposit their earnings.

We had a matter before the House yesterday which was not a party matter. It should not have been a matter of party cleavage. Everybody recognizes that the United States is being inundated and flooded with foreign importations to the great loss and detriment of the workers of America. Some argument was made to show that these importations were less from the countries which have departed from the gold standard than from those which have not departed from the gold standard. That is not the question. The question is, Where does the competition arise? If you want to make comparisons, compare these importations with American production and consumption, not with former imports. Our consumption has gone down until it is estimated that the national income for last year was \$37,500,000,000, as compared with \$85,000,000,000 to \$90,000,000,000 three years ago. And yet the Democratic majority on yesterday, by caucus rule, had bound their Members not to permit the deficiency currencies legislation, as applied to the tariff, to be taken up for consideration. If we are to banish partisanship, these matters should not be made the subjects of caucus or conference action by either party.

Mr. Chairman, I agree entirely with my good friend the gentleman from Missouri that these questions should not be approached and should not be determined from a partisan standpoint. The gentleman's party has a majority here; the gentleman's party has the leadership; the gentleman's party has the initiative. We are powerless. Give us a chance to vote for some of the things that you propose and you will be surprised at the response you will get from this side of the House. [Applause.] Give us a chance to join you in a patriotic effort to redeem the people of this country from the present great distress and we will do all we can to help you along these lines while we have the opportunity; but some of the Members on this side will not be in the next

House and will not be able to join you in such remedial legislation as I understand you are proposing. They would like an opportunity to do something now in order that the people may not continue to suffer even during the two months which must elapse before your new administration will be operative. [Applause.]

[Here the gavel fell.]

Mr. HOLADAY. Mr. Chairman, I yield five minutes to the gentleman from Wisconsin [Mr. SCHAFER].

Mr. SCHAFER. Mr. Chairman, I had asked for this time in order to cover practically the same ground which has been covered by my Republican colleague the gentleman from Illinois [Mr. CHINDBLOM].

Verily, the chickens are coming home to roost. Who led the fight, booted and spurred, for the adoption of the publicity features of the Reconstruction Finance Corporation loans and applications for loans? None other than that Mussolini leader of the Democratic majority of the House, the present Speaker, the gentleman from Texas [Mr. GARNER]. The record speaks for itself. The situation portrayed and now condemned by the Democratic gentleman from Missouri is the exact picture as to what would occur as painted on the floor of the House by Republicans who opposed the publicity feature so strongly championed and supported by the Democratic majority.

We know that a small bank out in the country or in a city can not accept deposits over a period of several months amounting to \$500,000 or \$1,000,000, keep these funds in its vaults so the depositors can withdraw all of their money at once on demand, and still be able to pay interest to its depositors. These funds placed on deposit with the bank are put out by the bank into channels of trade in the form of loans and mortgages and the purchase of bonds. Even in the case of a perfectly sound bank, if its depositors all ask for all of their deposits on or about the same time, the bank can not realize immediately on those mortgages, loans, and bonds and, therefore, does not have sufficient ready cash to meet its obligations to its depositors who desire to withdraw. Therefore, perfectly sound banks which could not liquidate their loans and mortgages by reason of excessive withdrawals have placed with the Reconstruction Finance Corporation proper securities and made loans from that corporation to carry on their business and keep from closing their doors.

What was the result of this publicity feature? Take a case of the average man with a few hundred dollars of savings or a thousands dollars, or with his entire life savings tied up in a bank, what would his reaction be when the headlines of his home newspaper indicated that the bank was in such condition that it had to apply for a loan from the Reconstruction Finance Corporation? The first thing when that bank opens in the morning, said ordinary citizen would be waiting on the steps to make application to withdraw his entire funds. Therefore the situation complained of by the gentleman from Missouri does exist, and the gentleman himself has confirmed the allegation of the Republican minority that this very thing would happen. Certainly my Democratic friend from Missouri can not pass the responsibility to the Republican minority, because it was his Democratic majority which brought about this serious condition which he so vividly pictures. It was the child of the Democratic Party, fathered by your Mussolini leader, the distinguished Speaker of the House.

Mr. BLANTON. Will the gentleman yield?

Mr. SCHAFER. If the gentleman wants to ask a pertinent question I will yield, but not for a facetious one.

Mr. BLANTON. It is a most pertinent question. I am wondering what on earth the great Republican Party is going to do after March 4 when the gentleman from Wisconsin, its great leader, will not be here.

Mr. SCHAFER. That is another one of the gentleman's facetious interjections. I wonder what the gentleman from Texas is going to do with reference to the program of the Democratic Party. Your party has had control of the House for two years; your party has had control of the other body for two years, when you consider the Members of that body who, although elected as Republicans, sup-

ported Mr. Roosevelt. All that your Democratic majority has been doing is howling and growling and complaining and denouncing.

Why, last Saturday one of your leaders, the gentleman from Arkansas [Mr. RAGON] waxed eloquent in wonderful burst of oratory, boasting about the attacks that the Democratic Party had made on the Republican tariff in the past two campaigns. But has your Democratic majority done anything to correct or change the law complained of and denounced? Absolutely nothing. All you do is to talk, talk—attack, complain, denounce—demagoguery.

Mr. BLANTON. Will the gentleman yield?

Mr. SCHAFER. In a moment. I will let the gentleman know when I am ready to yield.

Mr. BLANTON. I want to give the gentleman some definite information.

Mr. SCHAFER. If the gentleman will be patient and listen, he will be reminded of some definite, positive facts. Under the Constitution, tariff legislation must originate in the House of Representatives, and the Democratic Party, which in two campaigns has denounced the existing protective tariff, has been in control of the House for two years, with a majority of its Members, and during that time has not sponsored legislation to reduce one tariff rate.

[Here the gavel fell.]

Mr. HOLADAY. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. BLANTON. Will the gentleman yield?

Mr. SCHAFER. In just one moment. I will yield after I have given the gentleman a few more definite, positive facts.

Since the gentleman from Arkansas admits his party has denounced in two campaigns the tariff put upon the statute books by the Republican Party, I wonder how the gentleman from Arkansas or any of the other Democratic leaders can present an alibi for the failure of the Democratic majority in control of this House for two years to report out a bill to reduce even one tariff rate.

I notice in the press of yesterday that the entire delegations of Congressmen from Florida and from Georgia, and they are not Republicans, appeared before the Tariff Commission and strongly protested against any reduction in the tariff on tomatoes, indicating that a reduction would do their States harm. [Laughter and applause.]

I yield now to the Democratic leaders who admit they have denounced the protective tariff, to ask if they are going to reduce the tariff on tomatoes in the near future.

Mr. RAMSPECK. Will the gentleman yield?

Mr. SCHAFER. I yield to the gentleman from Georgia.

Mr. RAMSPECK. I may state to the gentleman that the entire delegation from Georgia did not appear there.

Mr. SCHAFER. Well, a substantial majority of them.

Mr. RAMSPECK. I can not state about that, because I was not there.

Mr. BLANTON. Will the gentleman yield to a humble Member?

Mr. SCHAFER. Now I yield to any and all of the Democrats in this House, including the gentleman from Texas, to ask them what particular rate or rates in the Hawley-Smoot tariff bill are too high and how much of a reduction they believe should be made to carry out the policies announced by the Democratic demagogues on the stump for the past two years. [Laughter.] Is there any Democrat here who will name one specific rate in the Hawley-Smoot tariff bill which should be reduced and indicate the amount of reduction that should be made?

Mr. HOWARD. I accept the challenge.

Mr. SCHAFER. I yield to the gentleman from Nebraska.

Mr. HOWARD. I will state for the benefit of the gentleman that I have introduced a bill to cut down the profits of his own Mussolini in his dealings in aluminum to the extent of 50 per cent of the present tariff now levied upon cooking utensils in the homes of the American people and upon the surgical instruments in the hospitals of our country.

Mr. SCHAFER. The gentleman's bill has been strangled and chloroformed in committee by the Democratic majority.

Now, one Democratic brother has testified. Are there any more? I yield again. [Laughter and applause.]

Mr. BLANTON. Will the gentleman yield?

Mr. SCHAFER. I yield to the gentleman from Texas with respect to advising what tariff rate he would reduce.

Mr. BLANTON. I would reduce all that are not strictly competitive. I want to remind my friend that last year when the people of the country were dissatisfied with the Congress and the White House and the Senate, they elected a new Congress and a new White House and a new Senate. But the new Members of the House, and Senate, and White House will not take office until March 4, and after March 4, and not until then, can the new Democratic régime be held responsible.

Mr. SCHAFER. I will then put the question this way: After March 4 what particular rate or rates would the gentleman ask to be reduced, and in what amount?

Mr. BLANTON. Oh, there will be a complete revision then.

Mr. SCHAFER. The gentleman does not know. I now yield to any or all of the Democratic brethren to rise in their places and give the House information as to what particular rate or rates in the Hawley-Smoot bill should be reduced and in what amount they should be reduced, after March 4.

Mr. PARKER of Georgia. Will the gentleman yield?

Mr. SCHAFER. Is the gentleman going to answer the question?

Mr. PARKER of Georgia. I want to—

Mr. SCHAFER. I am not yielding for a correction.

Mr. PARKER of Georgia. I want to correct a statement which the gentleman made.

Mr. SCHAFER. I pause one minute, I pause two minutes, and I hear no answer. [Laughter.] This shows the demagoguery of the Democratic Party. They only want to denounce and not act to reduce the tariff rates. I expected that the gentleman from Arkansas might rise and indicate that we should reduce the tariff rates on long-staple cotton and on rice.

Mr. RAGON. Since the gentleman has mentioned me, will the gentleman yield?

Mr. SCHAFER. I yield to the gentleman from Arkansas.

Mr. RAGON. I used to be connected with the management of a nervous hospital and such whining as the gentleman is doing never did bother me.

Mr. SCHAFER. It is just like the Democrats to inject a facetious remark as a defense when they have no other. The gentleman has no defense. The gentleman's party has been in control of the House for two years and has been denouncing existing tariff rates, but has not moved to reduce even one of the many. That record might meet with the approval of those connected with and confined in the gentleman's nervous hospital. Of course, we well know, and medical authority will confirm the fact, that residents in, and managers of, certain kinds of nervous hospitals are experts when it comes to complaining and denouncing.

Mr. PARKER of Georgia. Will the gentleman yield?

Mr. SCHAFER. Yes.

Mr. PARKER of Georgia. I understand the gentleman made the statement that the entire Georgia delegation appeared before the Tariff Commission on yesterday. I am sure the gentleman does not wish to make a statement that is not borne out by the facts.

Mr. SCHAFER. I was quoting from a newspaper report which I hold in my hand.

Mr. PARKER of Georgia. There were only three members of the Georgia delegation who went before the commission on yesterday—

Mr. SCHAFER. Who were they?

Mr. PARKER of Georgia. I did not go. The gentlemen from Georgia, Mr. VINSON, Mr. TARVER, and Mr. WOOD, were the only members who appeared. Not one of them said a solitary word for the tariff. They went down there and laid the resolution of the Georgia General Assembly on the table without comment.



Mr. SCHAFER. Is the gentleman from Georgia against the tariff on tomatoes?

Mr. PARKER of Georgia. I am.

Mr. SCHAFER. The gentleman is not in accord with the resolution of the Georgia Assembly?

Mr. PARKER of Georgia. I am not.

Mr. PARKS. Will the gentleman yield? Does the gentleman think that if we should reduce the Smoot-Hawley tariff it could do the country more harm than has been done it by the Republican Party?

Mr. SCHAFER. Before a year rolls by the people will find that the Democratic cry of fire with reference to the Republican Party was a false alarm. They will find that the Democratic Party is long on denunciations and promises and short on deeds and accomplishments. Your party has eloquently claimed that the Smoot-Hawley tariff bill has wrecked the prosperity of this country and the world, and yet you have had control of the House of Representatives for two years and haven't made a single move to reduce a single tariff rate. If the Smoot-Hawley tariff rates caused all this trouble, and you have had a Democratic majority in this House for two years, why have you not made some move to reduce the rates. On the other hand the Democratic program in the sales-tax provision of the revenue bill in the last session raised nearly every tariff rate on the protected list and placed a tariff on nearly every import on the free list. Your Democratic allotment bill in this session also provides for a multitude of increases in the tariff rates of the Smoot-Hawley Act and also for a tariff on a multitude of imports on the free list under that act. Many of these rates in the Democratic sales-tax and allotment bills are of an embargo nature. I notice that one of your Democratic leaders, Mr. Baruch, testified yesterday and opposed the Democratic farm-allotment monstrosity. He advocated that a portion of the farm lands be taken out of production and that the Federal Government pay rent to the farmers for that portion with funds raised by taxation of our citizens. That is how Mr. Baruch would take care of the surplus of farm products.

On the other hand, the Democratic leader who goes into the White House on March 4 indicates that the Federal Government should take hundreds of millions of dollars from the overburdened American taxpayers to develop the Tennessee River Basin and bring into cultivation and production thousands of acres of additional fertile lands.

Mr. BOYLAN. Will the gentleman yield?

Mr. SCHAFER. No; I can not yield to the humorous gentleman from New York at this time as my time is limited.

Mr. BOYLAN. But this is a very serious question.

Mr. SCHAFER. Yesterday you Democrats demonstrated that the Democratic discharge rule was a vehicle for talk for the past several years, but not one for actual use, according to the principles of your party. You would not even use your own vehicle to give the House an opportunity to consider the Crowther bill or similar legislation, notwithstanding the fact that 145 Members desired such consideration.

Your leaders have said that such consideration would interfere with the Democratic program, and yet you adjourned yesterday at 3.55 p. m. Look over the RECORD, and you will see that the Democratic majority of this House has adjourned many afternoons at 3.45, at 4.15, and still it criticizes the Republican minority, the lame-duck Republican minority, as interfering with the legislative program of the Democratic Party. Why, the Democratic majority in this House for two years has had no program except to mark time, criticize, condemn, and denounce the Republican minority and the Republican President. You Democrats have been the majority party in the House for two years and you can not evade your responsibility by throwing up a smoke screen. You might have fooled some of the people in the last election but they will pierce the smoke screen before the next and see the light. [Applause.]

Why, even your great leaders are divided on farm-relief legislation. Your next President, and one of his chief ad-

visers, Mr. Baruch, and the chairman of the Democratic-controlled Agricultural Committee absolutely face different ways on farm-relief legislation.

For the sake of our common country and the millions of our fellow citizens I hope and pray that the Democratic Party will be able to unite on a constructive program and will have a successful administration, although their Speaker admits that the Democratic majority in this House could not function on appropriations, could not function on balancing the Budget or on tax reduction, and that the new majority of the Democratic Party in the next Congress, a majority of over 130, can not function, but will have to abdicate most of the prerogatives of the Congress and give them to the President. It is a sad state of affairs from the standpoint of the American people, a very sad state of affairs, when the Speaker of the House indicts his own Democratic majority, which has had control of the House for two years.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. SCHAFER. And a working majority of his party and its followers in the other body, which has had control of that body for almost four years. I am afraid that before a year rolls by the people will wish to high Heaven that they had voted differently at the last November election. [Applause on the Republican side.]

Mr. HOLADAY. Mr. Chairman, I yield 10 minutes to the gentleman from Washington [Mr. SUMMERS].

Mr. SUMMERS of Washington. Mr. Chairman, I have introduced a resolution to immediately close the House restaurant and the public restaurant adjacent to the House restaurant, and the House barber shop and the public barber shop adjacent thereto for the reason that it will save a little money and that there is a general impression over the country that these institutions operate free to Members of Congress, when as a matter of fact every meal or hair cut or shave is paid for by the Member.

The resolution reads as follows:

*Resolved*, That immediately after the adoption of this resolution the House restaurant and the public restaurant adjacent thereto and the House barber shop and the public barber shop adjacent thereto be permanently closed.

I hold in my hand the House of Representatives restaurant menu for Saturday, February 11, 1933, showing the reduced or depression prices now effective. Here they are:

Hearts of celery for one person, 20 cents.

Stuffed mangoes for one person, 20 cents.

Bean soup, 15 cents.

A plate luncheon of chopped sirloin (that means the fragments), with potatoes, peas, spaghetti, and pie, 50 cents.

Another plate luncheon of lamb, jelly, potatoes, peas, pie, and coffee, 65 cents.

A dietary platter of salad, bread, cottage cheese, custard, and buttermilk is priced at 60 cents.

Under "ready to serve" we find:

Chicken, cranberry sauce, potatoes, and peas, 60 cents; and with dessert and coffee added, 85 cents.

A tenderloin steak is \$1—that would almost pay for a calf—then add two vegetables, 30 cents; dessert, 15 cents; and a cup of coffee, 10 cents—it totals \$1.55.

A cheese sandwich costs you 15 cents, a chicken sandwich 40 cents. A chicken salad for one person is 75 cents. Cole-slaw, which consists of a half a penny's worth of chopped cabbage, is 20 cents; apple dumpling, 20 cents; coffee or tea, 10 cents a cup.

We pay 50 cents for a hair cut and 25 cents for a shave.

During the 14 years I have been here no one to my knowledge has had a morsel of food nor a hair cut nor a shave at the taxpayers' expense. I ask now, Has any Member here ever had a free meal or free hair cut or a free shave? No response. No, not one—this year, nor last year, nor at any other time. You can get a hair cut and shave for 75 cents in the House barber shop.

There are restaurants and barber shops from 3 to 10 blocks from the Capitol. To save a little money and to secure better understanding I propose we close the Capitol restaurants and barber shops and patronize these outside places or fast during the day.

At going prices our restaurants that feed Members and the public who come to the Capitol by thousands as sight-seers or on business lose money. Let us close them up. Because of the necessary food loss from vastly unequal patronage from day to day there is an annual loss of 1 penny for every 125 of our population.

Mr. HOLADAY. Mr. Chairman, I yield five minutes to the gentleman from Massachusetts [Mr. UNDERHILL].

Mr. UNDERHILL. Mr. Chairman, I think it is well that the gentleman from Washington [Mr. SUMMERS] has brought this matter to the attention of the House and more particularly to the attention of the public. The trouble with the situation is that there has been no differentiation on the part of newspaper reporters with reference to so-called abuse of privileges of the House and those of another body. I have had something to do, as all Members know, in the past with running the restaurant. So far as the restaurant is concerned, the Members pay exactly the same price there for food as does the general public. As a matter of fact, more of the general public patronize the restaurant than do Members of the House.

There are evils in the barber shop which ought to be corrected. Those men are on the pay roll as cloakroom employees. They are paid a salary, and yet when you go there for a shave or a haircut you are charged the prevailing prices that exist elsewhere. It is my understanding, unless it has been changed, that some of the material, particularly the towels that are used in the barber shop, are furnished at the expense of the House and that the laundering is done at the expense of the House. That ought not to be.

I want to say just a word in defense of the restaurant. The restaurant is not only a matter of public convenience but it is absolutely essential to the transaction of public business. Most of the Members attend committee meetings in the morning, which adjourn about a quarter to 12. The Members go immediately to the floor of the House and there important business awaits their action. They can not go out in the middle of the day and get a sandwich or a cup of coffee, nor can they buy a decent meal in the vicinity of the Capitol.

It is necessary also that those who come to the Capitol on public business should have a place where they can get good food. It is necessary to public health and it is necessary to the transaction of public business. I do not approve of the abolition of the restaurant. There may be some economies which can be observed there. What they are I do not know. The cost has been brought down to a minimum. The uncertainty of the number which will be served during the day is one cause of the deficit. You can not prepare a meal for several hundred people and then have the House unexpectedly adjourn with a consequent reduction in the number of people to serve, without a deficit. The restaurant has to be run for the peak of the load. In other words, you can not tell what day the restaurant is going to be crowded to overflowing. Tables will be set in the corridors, they will be set in the room of the Committee on Accounts, they will be set everywhere that we can find a place to put a table—in order to accommodate whom? The Members of the House? Oh, no. It is to accommodate the general public who come here transacting business. It is very necessary to have some of these conveniences. They are not luxuries. However, I would advise the gentleman from Washington [Mr. SUMMERS], if Congress wants to do it, it can save a million dollars a year on the hill by the abolition of certain places and positions, jobs which are now filled under patronage. For one, the cafeteria in the coat rooms, under the galleries, operated by employees of the House who are paid a salary, provided with equipment at public expense, and who put the profits in their pockets.

Patronage is the curse of Capitol Hill. There are men employed here who have absolutely nothing to do and who seek a haven of refuge down in the House library or elsewhere.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. UNDERHILL] has expired.

Mr. HOLADAY. Mr. Chairman, I yield five additional minutes to the gentleman from Massachusetts.

Mr. UNDERHILL. How many Members of this House know there is a House library? We have the Congressional Library. There is a railroad running underneath the Plaza, and in two minutes you can get a book from the Congressional Library shelves. We have a library on each side of the Hall. There is quite a library in the Clerk's office; and yet down in the basement of the House Office Building there is a library, and this library is nothing more nor less than a refuge for certain jobholders. They do little or no work.

Mr. BLANTON. Will the gentleman yield?

Mr. UNDERHILL. Yes. I yield.

Mr. BLANTON. I do not know why such a valuable Member as the gentleman from Massachusetts has been, and one who is so active now and who has always been so active, has not used the House library. I call on it frequently for statistics and data. There are two very fine expert employees of the Government in that place, a lady and a gentleman. The lady is most proficient in looking up statistics.

Mr. UNDERHILL. I am willing to yield for a question but not for a speech.

Mr. BLANTON. I am with my friend from Massachusetts 100 per cent in eliminating all waste and extravagance. But I think those two employees in the library in the House Office Building are very essential and are two of the most valuable employees we have here, and neither of them is from Texas. I just wanted to say that.

Mr. UNDERHILL. Well, that is a matter of opinion.

The gentleman from Texas may use that library, but I doubt if 1 per cent of the Members ever were in it or ever got a book from it, and I doubt if the public should be obliged to pay the cost for the sole benefit or convenience of the Member from Texas.

When I brought that matter before the House some three or four years ago the Speaker of the House at that time did not know there was such a library in the House Building, and he was one of the commissioners in charge of the building. There are other places. They were all presented to the House four years ago, and you did not do anything. Why? Because of patronage—that most inviolate, that most sacred thing here on the hill. Gentlemen, if you will remove patronage and put such employees as may be needed here under civil service, you will stop this criticism of the House.

Mr. BLANTON. Will the gentleman yield for one other question?

Mr. UNDERHILL. I yield for a question only.

Mr. BLANTON. Is it not a fact that those two positions in that library have been there all through the past 12 years of Republican régime, ever since the gentleman has been a Member?

Mr. UNDERHILL. Oh, yes.

Mr. BLANTON. And, as the gentleman is now going out of this Congress, this is the first I have ever heard him make a speech against it.

Mr. UNDERHILL. I am not saying this is anything recent. The gentleman will remember I introduced into the House, after four months' work on a subcommittee, a resolution suggesting to the House the elimination of some 25 positions. That committee consisted of three, but the work was done by one, and may I take the credit for what work was done?

Some of those positions we could not even find, and the holders of those posts had never even reported to the pay office. They had their checks sent to them. Some of those positions may have been abolished, but more have been created. Two years after I made my report for economy, the Committee on Appropriations were given the same job, and they raised the expenses on Capitol Hill to the taxpayers over \$1,000,000.

Mr. BLANTON. That was under past years of the Republican régime.

Mr. UNDERHILL. Oh, never mind what régime it was. It was under patronage, and nothing has been done to re-



move the patronage. Now, I say to all of you, not because I am a Republican or you are a Democrat, but for your own protection, if you want to be honest with yourselves, if you want to stop this criticism of Congress, you will get after this patronage, and you will remove that fester here on the Hill. If you will do that there will not be much with which the taxpayers can find fault, or that the newspapers can find to exploit as far as special privilege, waste, extravagance, or business management in the House of Representatives is concerned, and another body might be obliged to follow a good example. [Applause.]

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

Mr. CANNON. Mr. Chairman, I yield 10 minutes to the gentleman from Nebraska [Mr. HOWARD].

Mr. HOWARD. Mr. Chairman, I very much regret that I was not here at the beginning of the address made by the gentleman from Missouri [Mr. CANNON] a little while ago with particular reference to my resolution which lifted the blanket of concealment from the doings of the Reconstruction Finance Corporation during those dark days of 1932, when transactions were made under cover.

I have no apology to offer for that resolution. I am receiving a vast volume of correspondence with reference to that subject, and I recall receiving one letter from a constituent in the gentleman's own home State telling me that a certain loan had been made down there, and in his judgment there were no securities worth while behind it, and telling me it was my duty to go ahead and investigate.

Mr. Chairman, I replied very courteously to the gentleman, and told him I thought he ought to address the Senators from his own State or his own Congressman and ask them to perform the investigation; that I had performed my duty when I introduced my resolution which lifted the blanket of concealment.

Now, with reference to the "Ogden Mills address" which the gentleman from Missouri [Mr. CANNON] has made this morning, I have a proposition to offer the gentleman. I trust he will hear me and I trust he will grant it. This is my proposition: I would like to have the gentleman from Missouri arrange for a joint debate between the man who makes just such a speech as the gentleman made this morning, Mr. Ogden Mills, and this humble Member from Nebraska with particular reference to the problem of publicity of the doings of the Reconstruction Finance Corporation. Of course, I want to have that debate conducted on neutral ground, so I suggest it might be conducted within the confines of the State from which the gentleman from Illinois, Mr. CHINDBLOM, hails. That is very near to the State of Missouri. Why would I like to have it on neutral ground?

Because the people out there in that particular neutrality of which I speak are magnificently human; I think they would give me a square deal. That is all I ask.

I have been somewhat astounded that the gentleman from Missouri, when speaking as a Democrat here, would so assail the Speaker of this House, who is the real author and who has been the whole soul of the proceedings directing publicity of the loans made by the Reconstruction Finance Corporation. I frankly stated here on the floor the other day when I introduced that resolution that I felt I was carrying out the wishes of the Speaker, my Speaker, of this House.

A little while ago the gentleman from Wisconsin [Mr. SCHAFER] stood here and made some very pertinent remarks and asked some very pertinent questions. With permission of the gentleman from Wisconsin, I shall emulate him for a moment. I would like to ask the gentleman from Illinois [Mr. CHINDBLOM]—he is absent, I see.

I would like to ask the gentleman from Missouri [Mr. CANNON] who protests against publicity of the loans made by the Reconstruction Finance Corporation to these great banks and trust companies, if he has ever protested against the publication of the Federal loans made to the farmers of America in the sum of a few hundreds of dollars for the purpose of enabling them to get feed for their animals or seed to carry on their crop-production efforts during the

ensuing year? Has the gentleman made any protest against the publicity of those little loans? [After a pause.] Silence is a hideous answer to the question.

Mr. CHINDBLOM. Mr. Chairman, will the gentleman yield? I understand the gentleman was inquiring for me while I was out for a moment.

Mr. HOWARD. Oh, I am glad the gentleman has arrived. The gentleman in his tenderness, and he is always tender, was deprecating the fact that the loans made by the Reconstruction Finance Corporation to the great banks and trust companies must be given to the eye of the public. He thought this should not be done. Now the question I want to ask is, Has the gentleman from Illinois ever uttered a protest against the publication of the names of the farmers in his own State who received a Federal feed or seed loan?

Mr. CHINDBLOM. I never knew they were published.

Mr. HOWARD. But they are.

Mr. CHINDBLOM. I never heard of their being published.

Mr. HOWARD. The gentleman should know that.

Mr. CHINDBLOM. I am opposed to their being published, I will say to the gentleman from Nebraska. Not only do I read the large daily papers but I read half a dozen small newspapers of my own State, and I have never seen any attempt to publish the names of farmers receiving loans from the Federal Treasury.

Mr. HOWARD. I may say to the gentleman that in his own State their names are posted on the doors of elevators where these farmers must go to sell their grain. The practical effect is that the elevator people are warned not to purchase this or that man's property because it is under mortgage to the Government.

Mr. CHINDBLOM. In what particular town in my State did the gentleman see that?

Mr. HOWARD. I do not refer to any particular town. I refer to the general practice over the country. This is the practice. So I suggest to the gentlemen—the gentleman from Illinois and the gentleman from Missouri—the next time they come on the floor to utter the Ogden Mills plea in behalf of the larger interests that receive Federal aid, that they be so kind as also to make just a little bit of a plea in behalf of the American farmer who received a little feed or seed loan.

Mr. CANNON. Mr. Chairman, will the gentleman yield, having mentioned my name?

Mr. HOWARD. I yield.

Mr. CANNON. I may say it has not been my good fortune to read any statement by Mr. Mills on the subject, but I have read the resolution adopted by the bankers' association of my State, an association made up of small country bankers and their patrons who are being embarrassed by this situation.

Mr. HOWARD. The gentleman does not believe in the transaction of public business in a public way, then? He is in favor of its being practically transacted in the dark?

Mr. CANNON. Certainly not; but the gentleman knows that every committee of this House and, as a matter of fact, any legislative or administrative body engaged in the formulation of policy in peace or war must be accorded some privacy and some degree of immunity from outside interference.

Mr. HOWARD. To what does the gentleman refer? I would like to be enlightened. He tells me there are some transactions here that should not be made known. I want to know what they are. I am a Member of this House; I want to know.

Mr. CANNON. The gentleman knows that almost daily the Committee on Ways and Means and the other committees of the House meet in executive session. The gentleman knows that the President's Cabinet meets constantly in executive session. It is absurd to insist that a committee should have half a dozen reporters present and half a room full of lobbyists in attendance before it can take up the private business of the House.

Mr. HOWARD. What is the private business of the House; will the gentleman explain?



Mr. CANNON. The business of the House as referred to its various committees.

It has been the practice for the committee to go into executive session at the close of public hearings on bills referred to them from the beginning of the Government. The gentleman is evidently not familiar with the customs of the House.

Mr. HOWARD. I resent the idea that there shall be any private business in this House. I understand the House is governed by rules, and I want to be obedient to every rule of the House which does not take from me my right as an American citizen; but I want to say to the gentleman and to all others that I stand in defiance of any rule of this House which shall deny to me, as a Member of the House, to divulge to my home people or to my country, if need be, anything that goes on here as a matter of public service. They are entitled to know it.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. HOWARD. I yield.

Mr. BLANTON. The gentleman knows that even in any of these executive sessions he, as a Member of Congress, has a perfect, inherent right to be present at every one of them. It is only when certain kinds of matters are being discussed that reporters are kept away, but the gentleman always has the right to be there. Is there anything wrong with that?

I would like to remind my friend from Nebraska that there is always a swarm of lobbyists here wanting appropriations for every kind of scheme imaginable. If the Committee on Appropriations were to throw open to everyone its hearings on the big annual supply bills, lobbyists would be so thick in the hearing room that orderly procedure and careful painstaking investigation into the estimates for bureaus and departments would be impossible. The heads of every department and bureau involved in an appropriation bill are always present, and are always heard, and know everything that takes place in a hearing, but lobbyists and the public are excluded so that the committee may carefully look into and review estimates in the hopes of eliminating all waste and extravagance and appropriations that are unnecessary.

Mr. HOWARD. What has that to do with it?

Mr. BLANTON. That explains why hearings before the committee on appropriations are not public.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. HOWARD. Yes; if I have time.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CANNON. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. CHINDBLOM. I would like to ask the gentleman from Nebraska whether he voted for the war veterans' act under which we are giving compensation and disability allowances and various other benefits to veterans?

Mr. HOWARD. I did.

Mr. CHINDBLOM. Does the gentleman know that not even he as a Member of Congress can get all the information he might want with regard to moneys paid out of the Federal Treasury to veterans?

Mr. HOWARD. He does know that, and he knows the shame of it.

Mr. CHINDBLOM. Then the gentleman disagrees with the policy of the very act for which he voted?

Mr. HOWARD. I could not get that phase of it eliminated, and I proposed to take the whole good thing notwithstanding its one bad feature.

Mr. CHINDBLOM. That was done to keep "peeping Toms" from finding out what men who served their country are receiving.

Mr. HOWARD. I try to live my life so that I stand in no fear of men, devils, women, or "peeping Toms."

Mr. CHINDBLOM. Will the gentleman yield further?

Mr. HOWARD. Yes.

Mr. CHINDBLOM. The Reconstruction Finance Corporation is a Government organization created by Congress. So is the Agricultural Credit Corporation. So are the Federal land banks. Does the gentleman know that neither the Agricultural Credit Corporation nor the Federal land

banks will give him as a Member of Congress information as to the loans which they make?

Mr. HOWARD. Unhappily, the gentleman does know that, but it is not the fault of the gentleman. If the gentleman from Nebraska had his way, that information would be open to every Member of the Congress upon demand, because the Members of Congress are here for the purpose of performing the service of the country; and I resent the attitude of any organization created by this body to act in any manner superior to this tribune of the people.

Mr. CHINDBLOM. But we are now discussing what the policy of this tribune of the people should be. The gentleman has taken a great deal of exception to the loans made, as he calls it, to the big banks and trust companies. Of course, the gentleman would take the same exception with reference to loans made to a small bank in his own community or in mine, where publication of the information that a bank has found it necessary to go to the Reconstruction Finance Corporation to get a temporary loan tends to destroy the usefulness of that bank in its community and starts a run on it immediately.

That is just exactly what is happening to-day, and it is why we have a new situation of peril throughout the country. We read to-day that the Governor of Michigan even declared a moratorium for eight days, closing every bank in that State.

Mr. HOWARD. Just let me have a little of my time. I replied to the gentleman from Illinois who asked me if I would be in favor of publishing the name of a bank that has secured a loan from the Reconstruction Finance Corporation. Then he tells about the fear that would be in the heart of the public that that bank was in trouble or it would not have gotten that loan.

Let me call the gentleman's attention to the fact that the largest loan made to any bank in the country was made to a bank in his own State. It was made when that bank had one foot over the precipice of insolvency and the other foot slipping; and yet as soon as it became known to the people that this bank was able to get unlimited money from the Reconstruction Finance Corporation the public had confidence and the bank was saved.

O my friends, I do not believe that publication of the action of the Reconstruction Finance Corporation in granting money to any bank will be harmful to the bank. That is not reasonable. It is not reasonable to think that the depositors will be annoyed or that they will be frightened by the fact that a lot of new money has been poured into the bank. That is not reasonable. Dawes did not think it was reasonable.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. HOWARD. Oh, yes.

Mr. CHINDBLOM. The Central Republic Bank & Trust Co. was not saved; as a matter of fact, it was closed. It is now liquidating its assets and the Dawes interests have organized an entirely new bank, the City National Bank & Trust Co. of Chicago. The result of the publicity was to make it absolutely impossible for the Central Republic Bank & Trust Co. to continue its business.

Mr. HOWARD. The way it was running, I think it was a pretty good thing.

Mr. CHINDBLOM. The gentleman should be careful in his references to the running of the bank. There was no fault to be found with the running of the bank.

[Here the gavel fell.]

Mr. CANNON. Mr. Chairman, I yield five minutes to the gentleman from Ohio [Mr. FIESINGER].

Mr. FIESINGER. Mr. Chairman, I think it is known to a great many Members of the House that I have been a member of the committee that has been making a study of the effect of the low price of silver. I think I have stated before on this floor that I have no interest in silver whatsoever. I am interested, however, in the restoration or the reversal of the downward trend of the commodity-price level, and this is the angle from which we have been studying silver. We have been studying this for nearly a year and I was interested to note that the President of the United



States last night in New York gave expression to the thought that it would be advisable to recognize silver as a part of our monetary reserves. I want to read what he said for the purposes of this record, and I would like to have it stand out emblazoned before the American people:

Nor is it necessary from an international point of view that those nations who have been forced off the gold standard shall be again restored to former gold values. It will suffice if it only is fixed. From this source are the principal hopes for restoring world confidence and reversing the growing barriers to the movement of goods, and making possible the security in trade which will again revive a demand for such goods. To do this it is necessary to have strong and courageous action on the part of the leading commercial nations. If some sort of international financial action is necessary to enable central banks to cooperate for the purpose of stabilizing currencies, nations should have no hesitation in joining in such an operation under proper safeguards. If some part of the debt payments to us could be set aside from temporary use for this purpose, we should not hesitate to do so. At the same time the world should endeavor to find a place for silver, at least in enlarged subsidiary coinage.

I would like to have the House note that the President does not confine his thought to subsidiary coinage of silver or to using silver for subsidiary coinage, but he emphatically states that he would find a place for silver.

I am happy to state that the committee upon which I have had the honor to serve, I think within two or three days, will report out a measure. This measure, I hope—in fact, I know—will contemplate that we stand upon the gold standard; that we must not deviate from the gold standard. However, the committee feels, not perhaps because there is a shortage of gold in the world, but as the President said, this gold has become pocketed, nations and banks are hoarding this gold and do not give it free movement—so the committee, I think, will report out a bill to allow silver to be put into our reserves at the gold price of silver; that is, to extend the monetary reserves.

Along about last August an article appeared in the Saturday Evening Post, which is a conservative journal, on the subject of gold.

[Here the gavel fell.]

Mr. CANNON. Mr. Chairman, I yield the gentleman five more minutes.

Mr. FIESINGER. I do not want to take the time to read this article, but I will point out the high spots. The point of the article is that in 1816 England went off silver. She went upon a single monetary base, and as a result of this action England went into a depression; in fact, the world went into a depression much as we have it in this country to-day, and as it exists throughout the world. As a matter of fact, there were some 4,000,000 people in England at that time who were upon the rolls. There were bread riots, and people thought that the British Empire was about to fall to pieces.

From 1819 until 1848 there was a fall in the commodity price level; and when new gold was discovered in California and in Australia, and this gold found its way into the circulatory system of the world, commodity prices rose in the United States from 84 in 1851 to 114 in 1854.

Then again, in 1873, when the United States demonetized silver, we had a world falling price level until 1896, when John Hays Hammond discovered gold in the Rand and that gold found its way again into the circulatory system. Commodity prices rose as a result of this gold coming into the circulatory system from 66 in 1896 to 107 in 1910.

Mr. Chairman, I think the President is right. If you had a condition of anemia, we will say, and a doctor came along and prescribed a certain medicine for you and you recovered as a result of this medicine, and 10 years later you had another attack of anemia, and the doctor came along and gave you the same medicine, and you were again restored to health, and then, we will say, that 10 years after this you had another attack of the same disease, what would you do? What would anyone do? They would go back to the same doctor that had restored them on two previous occasions.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. FIESINGER. I yield.

Mr. CHINDBLOM. Does the gentleman recall the medicines that were administered to the American people following the election of 1896?

Mr. FIESINGER. I recall that, but I am saying to you that neither Mr. Bryan nor Mr. McKinley produced that medicine. It was produced in South Africa; and when that gold came into the world, prices were rising before the election of 1896.

Mr. CHINDBLOM. It was produced by the establishment, permanently, of the gold standard in the United States and by the adoption of the McKinley tariff law following the election of 1896.

Mr. FIESINGER. I think the gentleman is mistaken, in that we did not go on the gold standard until 1900.

Mr. CHINDBLOM. It followed the election of 1896, and was followed by legislation two or three years later.

Mr. FIESINGER. The chart will show that commodity prices were rising before the election of 1896 and that it was not due to the tariff.

It seems to be quite generally understood that business stagnation and unemployment are due to the appreciated value of gold. This appreciation of gold is the result of world conditions, and its effect is great injustice as between producer and consumer and debtors and creditors. Gold has appreciated about 50 per cent above normal as reflected in commodity prices and as much as two or three hundred per cent when it reflects real-estate values, which are the base of all our wealth. Gold is a commodity like other commodities, except that it is used as an instrument of measurement in our monetary systems. That is to say, it is a yardstick wherewith to measure the value of other forms of property. That yardstick has increased in measuring length and has the same effect as though a business man buying and selling silk at a dollar a yard should have slipped into his store a measurement for the yard that he used, and did not know about, that was twice as long as the yard. It is conceded by everyone that if we were to increase the quantity of gold by some sudden means, like the discovery of new gold mines, if the quantity were sufficient, that the value of gold would fall and commodity prices as measured by gold would rise. Now, in order to accomplish this in the absence of new gold being discovered it is the purpose of a bill I introduced, No. 14645, to put silver in our metallic reserves at the gold price of silver, so as to extend the base of our metallic reserves much as though new gold were to be placed in our reserves. The effect of this should be to take the strain off gold and thus reflect a rise in commodity price level. It is generally conceded that if the general commodity price level was at 100, as fixed by the United States Department of Labor statistics, that that commodity price level would be a fair relation between producer and consumer and debtors and creditors. In other words, when the commodity price level is at 100, as fixed by the Department of Labor statistics, the purchasing power of gold is in fair relationship to commodities and permits the doing of business between producer and consumer and allows debtors to pay their creditors on a fair basis. The nations of the world, by the manipulation of their currencies with reference to gold, seriously affect the world commodity price level. It is practically within their power by manipulation to say what prices the American farmer shall be given for his wheat, cotton, and other commodities, as well as all wealth which springs from the land. It is the design of this bill to take away from those nations that power and give that power to the United States, which is interested in a fair commodity price level in order to effectually distribute the products of its farms, mines, and factories. This is necessary if we are to restore prosperity, because some of the nations that import prime commodities are interested in a different and a lower commodity price level than we must have in the United States, which is a large producer of prime commodities. It must be understood that this bill does not affect the gold standard nor does it affect the use of gold as the measuring rod, except to bring down the appreciated value of gold where it should be, in our interest, to do justice between producer and consumer and debtor

and creditor. This bill does not recognize free and unlimited coinage of silver at any fixed ratio, thereby calling for a double standard of measurement and making our gold subject to Gresham's law. It would remonetize silver at the gold value of silver and increase the primary money of the world, thus giving a purchasing power to more than half the people of the world. This purchasing power would be translated into terms of commodities, and with that demand for commodities the price level would rise, and with the rise of the price level the banks and our Federal reserve system would again function to nourish commerce and industry.

[Here the gavel fell.]

Mr. CANNON. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, we have had some most amusing exhibitions in the Chamber within the last few days. Our brethren across the aisle have put up frequently our friend from Wisconsin [Mr. SCHAFER] to speak for them and inveigh against promises made in the last campaign as not having been fulfilled.

We have our friend from Massachusetts [Mr. UNDERHILL], complaining about extravagances when they have existed ever since he came to Congress and throughout all the 12 years of Republican régime. I was with him 100 per cent on his report, but since then not at any time have I ever heard him speak against them. But now he is going out in a few days and all of a sudden he becomes interested in the subject. I wish that he were going to be here in the next Congress to help us Democrats stop waste and extravagance.

I want to say to my friend that in the last election the people had become tired of the present House of Representatives. They elected a new one. The people had become tired of the occupant of the White House. They elected a new one. The people had become tired of the present membership of the Senate. They elected a new Senate. The people had become tired of the old Congress coming in a year after the election. They passed the lame-duck amendment providing that with the next election the new Congress shall begin to function soon after election.

The new occupant of the White House will not take his oath of office until March 4. If we look outside the Capitol, we will see great preparations are being made for the inaugural of the new President on March 4. The new Senate and the new House of Representatives will not come in until March 4. When March 4 comes, it will be time for holding Democrats responsible for the present conditions.

Mr. BOYLAN. It is only manifestly fair for people to wait until the new government begins to function.

Mr. BLANTON. Yes; but Republicans here can not wait. They are in too big a hurry. I think there will be a change for the better after March 4. I have such confidence in the man who is going into the White House, I have such confidence about his concern respecting the difficulties under which Americans now live, that I believe we are going to have a decided change for the better.

But I want to say that there is one act that was passed by Congress, which I fought against and tried to keep from passing, that if any great relief comes in the direction of the reduction of governmental expenses must be repealed, and that is the reclassification act of 1923.

Why should not Congress have control over the purse strings of the Treasury? Why should not Congress determine what salaries shall be paid? Why should Congress pass that over to some board of employees to determine for themselves and, in effect, fix their own salaries?

I wonder if the American people know that neither the House nor the Senate can control the salaries of employees of the Government under the present law? They can not do it. When the reclassification act was passed in 1923 with respect to salaries, Congress lost all control.

There has been a reorganization for every little unit, and every bureau has been made a separate department of that bureau; and some little clerk, some \$1,200 or \$1,400 clerk, has been put at the head of that unit, called a department, and he has been made a director or made a deputy or made

a superintendent or made a chief or made this, that, or the other in order to form some excuse for raising his salary. We find the salaries raised, doubled, and in instances almost trebled, and that exists to-day. I can exemplify that to you by calling your attention to what has happened in the District of Columbia. Before doing so, I call the attention of the gentleman from Nebraska, Mr. HOWARD, to what would happen if we opened up the hearings on appropriation bills to the general public. Since we have been sitting here to-day there has been a great big printed document of several pages sent here by lobbyists and handed to every Member on this floor, lobbying against one little provision in this bill. If you opened up those hearings to the lobbyists of the United States, you would absolutely make it possible for the big lobbyists of this country to influence almost every appropriation that was put into the bill. You would have them hounding to death every member of the committee. They would be calling at our offices; they would be calling us over the phone; they would be writing us letters, sending us telegrams, and it would be impossible for a member of the Committee on Appropriations to properly function if you would open up those rooms to the lobbyists of the country when hearings were going on on appropriation bills.

I want to call your attention now to the way the 1923 classification act has raised these salaries for the city government of the District of Columbia. I have gathered the statistics respecting every bureau of the Government, but to have authentic figures I had the auditor of the District, Mr. Donovan, prepare a list of the employees who get more than \$2,500 a year in the District government, and give their raises in salary since 1923. Remember you are paying about \$8,500,000 right now of the people's money toward the expense of this District every year, and you have paid as high as \$11,000,000 in past times. I ask unanimous consent to extend my remarks in the RECORD and to include some tables, because I shall refer in my remarks only to certain items in such tables.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BLANTON. Mr. Chairman, I will now quote from the hearings before the Committee on Appropriations held on the District of Columbia appropriation bill for the fiscal year 1933, and the positions relate to employees of the District of Columbia only, whose salaries are above \$2,500 per annum:

NAMES AND POSITIONS OF EMPLOYEES RECEIVING OVER \$2,500 AND SALARIES PRIOR TO RECLASSIFICATION ACT

Mr. BLANTON. Mr. Chairman, in that connection, I want to ask that the committee have Mr. Donovan prepare and submit a table in the hearing showing the names of all employees of the District government who now receive over \$2,500 per annum, showing what salaries they drew prior to the reclassification act, under what names their positions then were designated, and also showing those who have come into new positions, who are now drawing over \$2,500, and showing what their predecessors drew prior to the reclassification act.

I am making a study of that with respect to all the departments of the Government, and that has been done in regard to the other departments. I would like to have that included in the hearing on the District bill.

Mr. CANNON. That data is being compiled for all the departments, and we will be glad if the auditor could give us that information in regard to the District government.

Mr. DONOVAN. We will prepare such information and insert it in the record.

(The statement referred to is as follows:)

Statement of positions in the government of the District of Columbia under the classification act of 1923, the present salaries of which are over \$2,500, together with the salaries of the positions in 1923, immediately prior to the date the classification act became effective

Name of employee	Present salary	Position	Salary of position prior to classification act of 1923
Executive office:			
Commissioner.....	\$9,000	Commissioner.....	\$5,000
Do.....	9,000	do.....	5,000
Garges, Daniel E.....	5,600	Secretary, Board of Commissioners..	2,700



Statement of positions in the government of the District of Columbia under the classification act of 1923, etc.—Continued

Name of employee	Present salary	Position	Salary of position prior to classification act of 1923
<b>Purchasing division:</b>			
Hargrove, M. C.	\$5,400	Purchasing officer	\$3,000
Lindsay, M. D.	3,300	Principal assistant purchasing officer	(1)
Gelbman, J. I.	3,300	Chief, printing section	(1)
Kennedy, J. T.	3,100	Deputy purchasing officer	1,800
Teachum, G. F.	2,900	Assistant purchasing officer	1,800
Teepe, W. T.	2,600	Chief clerk	1,500
<b>Building-inspection division:</b>			
Oehmann, J. W.	5,800	Inspector of buildings	3,000
Scullen, A. J.	3,400	Chief engineer computer	(1)
Lindholm, S. G.	3,400	Zoning engineer, zoning commission	(1)
McGuire, J. J.	3,400	Engineer computer	2,000
Daly, J. B.	3,400	do.	1,800
Downing, J. W.	3,300	Deputy inspector of buildings	2,000
Dollins, H. D.	3,300	Engineer computer	1,800
Gedney, Ralph	3,200	Chief engineer inspector	(1)
Johnstone, J. E.	3,200	Zoning engineer, building department	(1)
Ritchie, John	2,800	Chief clerk	1,800
Frankhouser, R. V.	2,700	Steel inspector	(1)
Newman, William	2,700	do.	(1)
Rogers, A. T.	2,700	Concrete inspector	(1)
Downman, J. R.	2,700	do.	1,800
Sherrier, C. W.	2,600	Steel inspector	(1)
Dulin, E. M.	2,600	Concrete inspector	(1)
Price, Roy A.	2,600	do.	(1)
Kimball, J. J.	2,600	Chief field inspector	1,500
Roche, T. F.	2,600	Inspector of signs	(1)
Brown, J. M.	2,600	Chief elevator inspector	1,683
<b>Plumbing-inspection division:</b>			
McGonegal, A. R.	3,200	Inspector of plumbing	2,000
Tapp, Samuel	2,600	Assistant inspector of plumbing	1,550
Mallet, Edmond	2,600	do.	1,360
Lucas, Reese H.	2,600	Inspector of refrigeration	(1)
<b>Care of District Building:</b>			
Brooke, E. P.	3,500	Superintendent, District Building	2,240
<b>Assessor's office:</b>			
Richards, W. P.	7,500	Assessor	3,500
Russell, Charles A.	5,600	Deputy assessor	(1)
Allen, Fred A.	4,800	Assistant assessors	3,000
Johnson, L. S.	4,800	do.	3,000
Bardoff, John T.	4,800	do.	3,000
Gunther, Frank A.	4,800	do.	3,000
Edwards, Daniel H.	4,800	do.	2,000
Willige, Augustus	4,800	do.	2,000
Gaines, Lloyd F.	4,800	do.	3,000
Fletcher, Edward B.	4,600	do.	3,000
Fitzgerald, M. C.	3,000	do.	2,000
Allmond, Harry	2,700	Field man	2,000
Causey, Foster	2,500	Chief, special assessment	2,000
<b>Collector's office:</b>			
Towers, C. M.	6,000	Collector of taxes	4,000
Clark, W. D.	3,000	Deputy collector of taxes	
<b>Auditor's office:</b>			
Donovan, D. J.	9,000	Auditor and Budget officer	4,000
Pilkerton, A. R.	4,600	Principal assistant auditor	(1)
Wilding, W. G.	3,100	Assistant auditor	(1)
McKimmie, S.	3,400	do.	2,700
Cain, B. J.	3,000	Chief, bookkeeping section	2,160
Harrison, B. A.	2,900	Property survey officer	2,160
Hipkins, W. A.	2,600	Chief, pay-roll section	1,800
Ward, J. H.	2,700	Chief, audit section	1,600
Lepson, F. P.	2,600	Chief, retirement section	2,040
Thornett, G. M.	2,700	Secretary, District personnel board	(1)
Lusby, J. R.	3,600	Disbursing officer	3,000
Wright, K. P.	3,000	Deputy disbursing officer	1,840
<b>Corporation counsel:</b>			
Bride, W. W.	9,000	Corporation counsel	5,500
West, Vernon E.	7,000	Principal assistant corporation counsel	3,000
Roberts, Wm. A.	7,000	Special assistant corporation counsel	(1)
Lynch, Robert E.	6,000	Assistant corporation counsel	(1)
Fowler, Walter L.	5,600	do.	1,800
Stephens, F. H.	4,800	do.	2,500
Thomas, Edw. W.	4,000	do.	(1)
Wahly, William H.	3,800	do.	2,000
Cameron, Thomas F.	3,200	do.	1,600
Walsh, T. G.	3,200	do.	1,500
DeNeale, Stanley	3,200	do.	1,000
Gray, Chester H.	3,200	do.	(1)
Welliver, E. M.	2,800	do.	1,500
Sparks, Raymond	2,600	do.	1,500
Dawson, Edw. S.	3,200	Inspector of claims	1,878
Giebel, Adam A.	2,700	Chief clerk	1,400
<b>Coroner's office: Rogers, Joseph D.</b>			
Weights, measures, and markets: Roberts, George M.	3,700	Superintendent	2,740
Chief clerk, engineer department.			
Brennan, Roland M.	4,000	Chief clerk, engineer department	2,490
Handboe, William N.	3,000	Assistant chief clerk, engineer department	2,040
Meaney, John	2,600	Clerk	(1)
<b>Municipal architect's office:</b>			
Harris, A. L.	7,500	Municipal architect	3,600
Walsh, S. B.	5,600	Assistant municipal architect	(1)
Marsh, H. H.	4,600	Chief, structural division	2,640

<sup>1</sup> Created since 1923.

<sup>2</sup> Per diem.

Statement of positions in the government of the District of Columbia under the classification act of 1923, etc.—Continued

Name of employee	Present salary	Position	Salary of position prior to classification act of 1923
<b>Municipal architect's office—Continued.</b>			
Bennett, C. A.	\$4,600	Chief, mechanical division	\$2,118
Coe, M. A.	3,800	Chief, architectural division	2,431
Warren, George	3,800	Chief, inspection division	(1)
Holmes, Osgood	3,200	Associate engineer	2,431
Thrasher, R. H.	3,300	do.	(1)
Blatt, R. C.	3,200	do.	(1)
Hutson, A. G.	3,200	do.	(1)
Gregg, Charles	3,800	Chief, specification division	(1)
Peckham, C. I.	3,800	Engineer	(1)
Soars, L.	3,300	Associate engineer	(1)
Bubb, Ralph S.	3,200	do.	(1)
Greenleaf, A. H.	3,200	do.	(1)
Myers, H. F.	3,200	do.	(1)
Hoe, H. H.	3,200	do.	(1)
Cullinane, J. J.	3,200	do.	(1)
Redington, R. B.	3,200	do.	(1)
Johnston, L. P.	3,200	do.	(1)
Smith, H. J.	3,200	do.	(1)
Cuthriell, J. I.	3,200	do.	(1)
Conway, R. A.	3,200	do.	(1)
Draper, W. A.	3,200	do.	(1)
Brown, L. H.	2,600	do.	(1)
Newman, L. J.	2,600	do.	(1)
Giant, Paul	2,600	do.	(1)
Phillips, F. D.	2,600	Superintendent of construction	2,240
Dicks, R. L.	2,600	Assistant engineer	(1)
Wotier, A. A.	2,600	do.	(1)
Sweet, T. S.	2,600	do.	(1)
Durfee, N. B.	2,600	do.	(1)
Horton, E. F.	2,600	do.	(1)
Lind, A. R.	2,600	do.	(1)
Hale, W. T.	2,600	do.	(1)
Morrett, O. F.	2,600	do.	(1)
Whitcomb, R. L.	2,600	do.	(1)
Schultz, A. H.	2,600	do.	(1)
Freeman, D. C.	2,600	do.	(1)
Bradley, J. E.	2,600	Chief engineering inspector	1,951
<b>Repair shop:</b>			
Wormington, L. C.	3,800	Engineer in charge	(1)
Storey, Henry	3,100	Superintendent of repairs	1,800
<b>Public Utilities Commission:</b>			
Bachman, B. M.	5,000	Chief accountant	3,000
Fisher, Earl V.	4,800	Executive secretary	4,000
Reynolds, I. L.	4,600	Chief engineer	(1)
Murray, J. D.	3,800	Valuation accountant	(1)
Tate, T. R.	3,800	Valuation engineer	(1)
Martin, J. L.	3,500	Senior accountant	(1)
Dunlap, W. H.	3,300	Engineer	3,000
Steele, H. B.	3,300	Accountant and auditor	(1)
Runyan, E. G.	3,200	Inspector of gas and meters	2,240
Porter, W. T.	2,900	Associate accountant	(1)
Hoysradt, H. V.	2,700	Inspector of electric meters	2,040
Milligan, E. J.	2,700	Chief clerk	2,040
Nicholson, J. M.	2,700	Research assistant	(1)
Falk, J. W.	2,600	Assistant accountant and auditor	(1)
Putnam, A. C.	2,600	Assistant engineer	(1)
<b>Insurance department:</b>			
Davis, H. L.	4,600	Superintendent	3,500
Bryan, F. D.	3,500	First deputy	3,000
Creighton, C. F.	2,900	Second deputy	2,000
<b>Surveyor's office:</b>			
Hazen, M. C.	5,000	Surveyor	3,000
Boyd, W. I.	3,500	Assistant surveyor	2,000
Dent, E. A.	3,500	Assistant engineer	1,800
Pelz, C. E.	3,000	do.	1,500
Williams, W. A.	2,900	do.	(1)
Armstrong, J. C.	2,800	do.	1,565
Jarboe, J. A.	2,800	do.	1,500
Hale, M. J.	2,800	Computer	1,565
Healy, F. F.	2,800	Assistant engineer	1,200
Crickenberg, G. W.	2,700	do.	(1)
<b>Vehicles and traffic:</b>			
Van Duzer, W. A.	7,500	Director of traffic	(1)
Harland, W. H.	5,400	Assistant director	(1)
Eldridge, M. O.	4,800	do.	(1)
Seiler, A. G.	2,900	Office engineer	(1)
Bell, M. W.	2,600	Chief clerk	(1)
<b>Free public library:</b>			
Bowerman, G. F.	8,000	Chief librarian	4,000
Herbert, Clara W.	4,600	Assistant librarian	2,000
Hance, Emma	3,400	Director reference work	1,500
Latimer, Louise P.	3,300	Director children's work	1,600
Thompson, Ralph L.	3,300	Librarian, Mount Pleasant branch	(1)
Finney, Grace B.	3,300	Chief, circulating department	1,760
Laskey, Julia H.	3,200	Chief, catalogue department	1,400
Purdum, W. T.	3,200	Chief, acquisitions and binding	(1)
McHale, Cecil J.	3,200	Librarian, northeast branch	(1)
Osborne, Frances S.	2,700	Librarian, southeast branch	1,400
Bubb, M. Ethel	2,700	Assistant director children's work	(1)
Clark, C. H.	2,600	Superintendent, school work	1,260
Williams, M. D.	2,600	Superintendent, extension work	(1)
Lacey, Ethel A. L.	2,600	Curator of Washingtonians	(1)
Cavanagh, Helen L.	2,800	Chief clerk	1,560
Chaney, Alvan C.	2,600	Superintendent of buildings and grounds	(1)
<b>Register of wills:</b>			
Cogswell, Theodore	6,400	Register of wills	4,000
Mersch, Victor S.	4,800	First deputy	3,200
Melvin, J. Margues	3,100	Second deputy	2,700

<sup>1</sup> Created since 1923.

## Statement of positions in the government of the District of Columbia under the classification act of 1923, etc.—Continued

Name of employee	Present salary	Position	Salary of position prior to classification act of 1923
<b>Register of wills—Con.</b>			
James, Chas. J.	\$2,700	Appraiser	\$1,800
McLaughlin, Francesca	2,700	Disbursing clerk	2,250
<b>Recorder of deeds:</b>			
Coage, Jefferson S.	5,500	Recorder of deeds	4,000
Fisher, Wm. N.	3,500	First deputy recorder	2,500
Tompkins, R. W.	2,900	Second deputy recorder	2,000
<b>Highways department:</b>			
Whitehurst, H. C.	7,500	Director of highways	(1)
Robertson, L. P.	5,600	Engineer of streets	(1)
Whyte, C. R.	4,800	Engineer of bridges	2,740
Fennell, A. S.	4,800	Engineer of construction	(1)
Clemmer, H. F.	4,800	Engineer of tests	(1)
Davison, F. M.	4,800	Engineer of maintenance	(1)
Howser, H. R.	3,800	Assistant engineer of bridges	(1)
Couch, F. B.	3,400	Superintendent of streets	2,240
Gass, S. J.	3,400	Superintendent of roads	2,490
Cleaver, Vernon	3,400	Inspector asphalt and cements	2,740
Grabill, L. R.	3,300	Assistant engineer of maintenance	(1)
Robertson, J. N.	3,300	Assistant engineer of construction	(1)
Emack, E. G.	3,100	Assistant engineer	2,040
Wager, C. E.	2,800	Topographic engineer	2,275
MacGregor, W. B.	2,800	Assistant engineer (grading)	2,275
Rousseau, J. G.	2,700	Assistant engineer (asphalt)	2,440
Elbert, J. C.	3,100	Assistant engineer computations	(1)
Curtin, J. J.	3,000	Assistant engineer of alleys	(1)
Champion, W. B.	2,900	Chief inspector	(1)
Roach, G. H.	2,800	Assistant engineer (concrete)	(1)
Preston, H. C.	2,700	Assistant engineer (substitute repairs)	(1)
Watson, L. R., jr.	2,600	Assistant engineer (concrete)	(1)
Senclindiver, J. A.	2,600	Assistant engineer (asphalt)	(1)
Galney, Morris	2,600	Principal inspector	(1)
Hoover, Walter	2,600	do	(1)
Bourgeois, R. L.	1,900	Superintendent of minor repairs	(1)
<b>Trees and parking:</b>			
Lanham, C.	5,200	Superintendent	2,000
Wallace, C. B.	3,200	Assistant superintendent	1,350
<b>Sewer department:</b>			
Gordon, J. B.	7,500	Director of sanitary engineering	(1)
Black, A. D.	5,000	Engineer of sewers	3,300
Chapin, R. S.	4,000	Operation and maintenance	2,118
Baden, C. C.	3,500	Assistant engineer	2,040
Sagrario, S. C.	3,300	Mechanical designer	2,118
Johnson, Elwood	3,200	Associate maintenance engineer	2,118
Robinson, J. F.	2,900	Assistant engineer	1,740
Iden, F. H.	2,900	do	2,118
Fitzpatrick, W. T.	2,900	do	1,740
Byrnes, W. M.	2,900	do	2,118
Dick, J. H.	2,900	Chief clerk	2,118
Steele, F. K.	2,900	Principal steam engineer	2,330
Harbaugh, J. D.	2,700	Assistant engineer	1,840
Pearson, G. W.	2,700	Assistant to sanitary engineer	(1)
Auld, D. V.	2,600	Draftsman	1,440
Press, E. A.	2,600	do	1,648
Gleason, J. F.	2,600	Chief inspector	1,640
Deat, J. T.	2,600	Chief overseer	2,431
<b>City refuse division:</b>			
Hacker, Morris	6,000	Supervisor, city refuse	4,000
Costigan, T. L.	5,000	Superintendent, street cleaning	3,000
Crane, J. G.	5,000	Superintendent, garbage reduction plant	2,500
Russell, H. O.	3,000	Assistant superintendent, garbage plant	2,100
Corder, G. K.	2,800	Superintendent, trash service	2,000
Murray, J. D.	3,200	Master mechanic	2,000
Edgington, F. E.	2,900	Administrative assistant	2,400
Meeks, B. M.	2,600	Chief clerk	1,800
Krams, H. F.	2,700	Accountant	1,800
Wood, W. R.	2,700	Superintendent garbage collection	2,000
Brooke, A. G.	2,600	Superintendent ash service	1,760
Santmyer, E. L.	2,600	Master mechanic	1,600
Grenfell, F. W.	2,850	Veterinarian (part time)	1,400
Greene, A. B.	3,800	Resident engineer	(1)
<b>Playground department:</b>			
Baker, Sybil	4,600	Supervisor of playgrounds	2,500
Tennyson, R. S.	2,900	Assistant supervisor	(1)
<b>Electrical department:</b>			
Kern, W. E.	4,600	Electrical engineer	2,750
Simpson, J. C.	3,400	Electrical inspector	2,000
Lyman, F. C.	3,400	do	1,800
Murray, J. J.	2,600	do	1,350
Zebley, J. S.	2,700	Chief electrical inspector	1,560
<b>Public schools:</b>			
Anderson, R. S.	3,200	Statistician	(1)
Hine, H. O.	3,500	Secretary, board of education	2,000
Holt, R. W.	3,500	Chief accountant	2,000
McQueeney, H. F.	3,500	Superintendent of janitors	1,500
<b>Metropolitan police:</b>			
Crawford, H. E.	3,500	Chief clerk	2,400
Brandenburg, W. H.	3,040	Police and fire surgeon	1,600
Reed, J. A.	3,040	do	1,600
Borden, D. L.	3,040	do	1,600
Allen, F. McJ.	3,040	do	1,600
Marbury, W. B.	3,040	do	(1)
Williamson, F. Y.	3,040	do	(1)
<b>Health department:</b>			
Fowler, W. C.	7,000	Health officer	4,000
Schwartz, E. J.	5,600	Assistant health officer	2,500
Cumming, J. G.	4,600	Chief, preventable diseases	2,750

(1) Created since 1923.

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## Statement of positions in the government of the District of Columbia under the classification act of 1923, etc.—Continued

Name of employee	Present salary	Position	Salary of position prior to classification act of 1923
<b>Health department—Con.</b>			
Reed, J. B.	\$4,600	Chemist	\$2,000
Donaldson, E. R.	3,800	Microanalyst	(1)
Cole, A. G.	3,200	Chief clerk and deputy	2,500
Porch, J. P.	3,200	Serologist	2,500
Yongue, N. E.	2,600	Assistant chemist	1,500
Butts, J. F.	2,600	Chief sanitary inspector	1,800
Ashworth, R. R.	4,600	Chief food inspector	1,800
Gelston, S. L.	2,700	Food inspector	1,400
Neale, H. V.	2,700	do	1,400
Shumate, T. J.	2,700	do	1,000
Conroy, J. G.	2,700	do	1,200
Lanahan, F. R.	2,700	do	1,400
Sando, E. R.	2,700	do	1,400
Sproesser, T. W.	2,700	do	1,200
Hallman, J. A.	2,600	do	1,400
Martin, R. L.	2,600	do	1,200
Smith, W. R.	3,050	Poundmaster	1,400
Murphy, J. A.	4,800	Chief medical and sanitary inspector of schools	2,500
Davis, H. J.	2,800	Director, child hygiene service	1,500
Noble, J. E.	4,800	Bacteriologist	2,240
Bradfield, J. D.	3,400	Medical inspector	2,000
Grayson, S. M.	3,400	do	1,720
Fisher, Howard	2,800	do	1,250
<b>Juvenile court:</b>			
Sellers, Kathryn	7,000	Judge	3,600
Sellers, C. F.	2,600	Clerk of the court	2,000
Ezekiels, Jeannette	3,200	Chief probation officer	2,000
Lyons, J. Leonard	2,600	Assistant chief probation officer	1,500
Bayles, Mary H.	2,600	Director department of inquiry	(1)
<b>Police court:</b>			
Sebring, F. A.	3,800	Clerk of the court	2,200
Norgren, W. A.	2,900	Chief deputy clerk	(1)
Allenist: Hickling, D. Percy	3,500	Allenist	1,500
<b>Board of Public Welfare:</b>			
Wilson, George S.	8,000	Director of public welfare	(1)
Kirby, Paul L.	5,600	Assistant director	(1)
Tobin, Dr. R. F.	3,400	Medical officer	1,400
Allen, Mary P.	3,200	Administrative assistant	1,600
Davies, Emma	2,800	Supervisor, home care	(1)
Snyder, Wm. I.	3,000	War veterans' service	(1)
Morss, A. Patricia	3,200	Chief, child welfare	1,800
Donahue, A. M.	2,700	Supervisor	1,740
Closson, Eleanor	2,600	do	1,500
Miller, R. R.	2,600	Social worker	900
<b>Jail:</b>			
Peak, W. L.	4,400	Superintendent	1,680
Angevine, W. K.	2,600	Physician	(1)
<b>Workhouse and reformatory:</b>			
Hornbaker, F. W.	3,200	do	1,680
Barnard, M. M.	6,000	Superintendent, penal institution	3,500
Tawse, A. C.	5,000	Superintendent, reformatory	1,800
Bischoff, J. E. C.	4,600	Business manager	(1)
Pettit, A. L.	4,200	Superintendent, workhouse	1,680
Haar, H. R.	3,400	Construction engineer	1,800
Schreyer, Geo.	3,100	Superintendent of foundry	(1)
Slegman, J. R.	3,000	Superintendent of brick plant	1,500
Fling, J. A.	2,600	Chief agriculturist	(1)
Hanger, Chas. W.	2,800	Chief accountant	(1)
Green, E. Allen	2,800	Chief mechanical division	(1)
Coffin, Frank	2,500	Steward	1,500
Lambert, N. S.	2,500	Head brick burner	(1)
<b>National Training School for Girls: Richardson, L. R.</b>	3,000	Superintendent	1,440
<b>Tuberculosis Hospital:</b>			
Peabody, Dr. J. W.	4,600	Superintendent	2,040
Risk, Dr. W. A.	2,800	Resident physician	840
Finucane, Dr. D. L.	2,600	Assistant resident physician	840
<b>Gallinger Municipal Hospital:</b>			
Bocock, Dr. E. A.	7,500	Superintendent	(1)
Gilbert, Dr. J. G.	5,600	Chief psychiatrist	(1)
Lefler, Dr. H. H.	4,600	Medical officer	(1)
Keik, Dr. J. A.	3,200	Associate medical officer	(1)
King, Dr. C. V.	3,200	Röntgenologist	(1)
Silverman, Dr. I.	3,200	Associate medical officer	(1)
Malone, Dr. Lillian	2,600	Resident clinical director	(1)
McCullagh, Dr. Wm.	2,600	do	(1)
Collins, Dr. J. L.	2,600	Assistant medical officer	(1)
Skinner, Dr. V. V.	2,600	Assistant dentist	(1)
Moran, Catherine E.	2,600	Superintendent of nurses	1,440
Snyder, Bradley A.	2,600	Chief engineer	(1)
<b>District Training School:</b>			
Jones, K. B.	6,000	Superintendent	(1)
<b>Industrial Home School (colored): Tucker, Wendell P.</b>	2,600	do	1,200
<b>Industrial Home School (white): Cassie, E. W.</b>	3,000	do	1,740
<b>Home for Aged and Infirm: Haskell, Frank B.</b>	3,500	do	1,200
<b>Militia: Nevitt, P. G.</b>	3,200	Administrative assistant	2,040
<b>Public buildings and parks:</b>			
Gartside, Frank T.	5,000	Division chief	2,500
Clark, George E.	4,800	Engineer in charge	3,000
Payne, Irving W.	4,600	Landscape architect	3,300

(1) Created since 1923.



Statement of positions in the government of the District of Columbia under the classification act of 1923, etc.—Continued

Name of employee	Present salary	Position	Salary of position prior to classification act of 1923
<b>Public buildings and parks—Continued.</b>			
Ranger, Donald R.	\$3,200	Associate civil engineer	\$0 <sup>(1)</sup>
Saunders, David E.	3,200	Section chief	1,860
Hanson, August H.	3,200	Assistant landscape architect	0 <sup>(1)</sup>
Emmett, Thomas T.	2,700	Chief of party	1,502
Bailey, T. L.	2,600	Assistant civil engineer	0 <sup>(1)</sup>
Wigglesworth, T. H.	2,600	do.	0 <sup>(1)</sup>
Smith, Percy E.	2,600	do.	0 <sup>(1)</sup>
Hoffman, Irvin N.	2,700	Engineer draftsman	0 <sup>(1)</sup>
Kinnear, Wm. E.	2,600	do.	0 <sup>(1)</sup>
Balluff, R. B.	2,600	Assistant chief section	1,860
Clyde-Burton, A.	3,400	Assistant division chief	1,800
Ely, Lewis B.	3,400	do.	1,860
Taylor, Hazel F.	2,600	Deputy disbursing clerk	1,860
Sheets, Wm. S.	3,000	Section chief	0 <sup>(1)</sup>
Kincheloe, R. W.	2,700	Foreman carpenter	2,100
Littleton, Edwin C.	2,600	Chief painter	2,040
Lewis, Harry B.	2,600	General foreman	1,920
McNally, William	2,600	do.	1,860
Roche, John	2,600	do.	2,040
Watt, George	2,600	do.	2,100
<b>National Capital Park and Planning Commission:</b>			
Nolen, John J.	4,600	City planner	0 <sup>(1)</sup>
Settle, Thomas S.	4,600	Secretary	0 <sup>(1)</sup>
Jeffers, Thomas S.	3,800	Landscape architect	0 <sup>(1)</sup>
Ryder, James A.	3,200	Associate engineer	0 <sup>(1)</sup>
Haiber, William F.	2,800	Draftsman	0 <sup>(1)</sup>
Kelly, Edward J.	3,400	Assistant motion-picture producer	0 <sup>(1)</sup>
Noite, Carl R.	2,600	Assistant secretary	0 <sup>(1)</sup>
Eliot, Charles W.	20	Director of planning	0 <sup>(1)</sup>
<b>Zoological Park:</b>			
Mann, W. M.	6,500	Director	3,300
Walker, E. P.	4,800	Assistant director	2,500
Blackburne, W. H.	3,200	Head keeper	2,400
Clark, T. F.	3,100	Department disbursing agent	2,200
DuPre, D. L.	2,600	Property clerk	1,800
<b>Water department:</b>			
Holton, D. W.	5,800	Superintendent	3,300
Beckett, H.	4,800	Engineer	2,640
Lanham, Paul	4,000	do.	1,928
Grove, E. H.	3,500	Water registrar	2,640
Lay, A. S.	3,300	Assistant engineer	2,040
Woodward, W. R.	3,200	do.	1,940
Hibbs, L. I.	3,200	do.	1,752
Van Doren, W. T.	3,200	do.	2,003
Gibbons, A. E.	3,200	Master mechanic	2,740
Robertson, W. V.	2,900	Property officer	2,160
Lybrand, A. W.	2,800	Assistant engineer	1,565
Beckett, C. C.	2,800	do.	1,643
Hebbard, R. L.	2,800	do.	1,752
Wilson, T. L.	2,700	do.	2,040
Hoeke, H. W.	2,600	do.	0 <sup>(1)</sup>
Robertson, N. B.	2,600	Chief clerk	2,040

<sup>1</sup> Created since 1923.

<sup>2</sup> Per diem.

Mr. BLANTON. Mr. Chairman, the foregoing are merely the employees of the District government whose salaries are over \$2,500 per year. There is a great army of them who get less than \$2,500.

I also had the following information given by the auditor:

**DISTRICT EMPLOYEES RECEIVING PAY AS RETIRED EMERGENCY OFFICERS, ETC.**

Mr. BLANTON. In that connection, there is one other matter that should be included in that table, and that is a list of all employees of the District government, if there are any, who are drawing, in addition to their salaries, emergency retired pay as retired emergency officers.

I want that information also because I am checking that up in the other departments.

Mr. DONOVAN. I insert in the record the following statements. (The statements referred to are as follows:)

Statement listing employees of the District government who are receiving "emergency retired pay" showing their present positions with the salary received therefrom

Name	Official position	Salary	Pension
Register of wills, Cogswell, Theodore.	Register of wills...	\$6,400	\$125 per month.
Police department, McGrath, William H.	Private, class 6....	2,400	\$116.57 per month.
Tuberculosis Hospital, Lavalley, George E.	Property officer....	1,440	\$133.78 per month.

You will note, Mr. Chairman, that I had Auditor Donovan put in the amount of the salary the individual drew before the 1923 classification act was passed and the salary that

he now draws. Look at some of these positions and how they have been changed and made into director or superintendent or chiefs and deputies.

Take the Commissioners of the District. When that act was passed they got \$5,000 a year, and they now get \$9,000. Quite a raise, is it not? Then take Daniel E. Garges, the secretary. He got \$2,700 a year before the act was passed, and now he gets \$5,600. Then there is Mr. Hargrave, who is in the purchasing division. He used to get \$3,000 a year, and now he gets \$5,400 a year. He has an assistant getting \$3,200 a year. Then the chief of the printing section gets \$3,300 and the deputy \$3,100. There is another assistant at \$2,900, and another chief clerk at \$2,600. Remember, if you please, before you passed the reclassification act you had three commissioners, and each one of them controlled certain units of the Government's business. There were just three units, one for each commissioner, and they had one clerk and one secretary, but they have divided all those things up now into bureaus and divisions and departments, with a clerk and secretary for each one of them.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. CANNON. Mr. Chairman, I yield 10 minutes more to the gentleman from Texas.

Mr. GOSS. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. In a minute. You will find a clerk for almost every unit at a tremendous salary, nearly double what the clerk for the whole business used to get. Here is the building inspection division. The salary of Mr. Oehmann was raised from \$3,000 to \$5,800, and Mr. McGuire's from \$2,000 to \$3,400, that of Mr. J. B. Daley from \$1,800 to \$3,400. There is another here from \$1,800 to \$3,300, and then all these assistants and deputies. There is another at \$3,200, then Mr. Johnson at \$3,200, Mr. Richie at \$2,500, Mr. Newman at \$2,700, Mr. Hodges at \$2,700, Mr. Downey at \$2,700, another at \$2,600, Mr. Price at \$2,600, Mr. Campbell at \$2,600, Mr. Roach at \$2,600, Mr. Brown at \$2,600. They are all assistants and deputies who are in charge of certain little divisions under that one division.

Then we have here the assessor's office. Mr. Richards used to get \$3,500 before the act was passed, and now he gets \$7,500, and his deputy gets \$5,600. Then he has six assistant assessors who used to get \$3,000, and all of them now get \$4,800. He has two more assistants that used to get \$2,000, and they have been raised to \$4,800 each by this board. Then you have the collector of taxes, raised from \$4,000 to \$6,000, and a deputy of \$3,000, and then the auditor, Mr. Donovan. Before this act was passed he got \$4,000, and he has been raised to \$9,000, a \$5,000 raise. There is an assistant auditor at \$3,100, and another assistant auditor at \$3,400, and then a principal assistant auditor at \$4,600, and then a chief bookkeeper at \$3,000. Pretty high for a bookkeeper, is it not? How many bookkeepers have you in your banks at home who get \$3,000 a year?

Mr. GOSS. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Yes. Certainly.

Mr. GOSS. Is the gentleman giving notice to the House that he is going to offer amendments to limit these salaries?

Mr. BLANTON. What is the use? You can not do it. The board fixes them.

Mr. GOSS. Not under a limitation.

Mr. BLANTON. I want to say to the gentleman that I have before the committee a bill, House Joint Resolution No. 344, that has been there for over a year to repeal this act. The gentleman could help us get the committee to vote that bill out and pass it.

Mr. GOSS. Under the emergency retirement act? I am for it.

Mr. BLANTON. The gentleman has in mind my bill, House Joint Resolution No. 355, to repeal the emergency officers' retirement act, that I have before his committee, but he has not taken any action on many features of it.

Mr. GOSS. It is not before our committee.

Mr. BLANTON. Oh, yes, it is. It is my resolution 355 before his committee and 344 is before another committee.

Mr. GOSS. The chairman of the committee is here. He might answer the gentleman better than I can.

Mr. BLANTON. Well, I want the gentleman to get busy and vote out the entire resolution, No. 355. The committee has reported a part of my resolution, and passed part of it, but not all of it. I wish the gentleman would report the balance of it.

Mr. GOSS. I hope the gentleman will talk to some of his Democratic colleagues on that committee.

Mr. BLANTON. Oh, there is no man here who deserves more credit and commendation than the chairman of the gentleman's committee [Mr. McSWAIN]. He is a splendid, hard working, earnest representative of the people, and he has done a lot of work in there. He has shown me that he has got the guts to act and is not afraid. He is not afraid to act. Within a reasonable time we will get some action on No. 355, but we must repeal this classification act. We must retain control of Congress over the purse strings of the Treasury. It is outrageous that we permit a board to sit here and double and treble salaries, paying ordinary bookkeepers three and four thousand dollars a year out of the people's Treasury, when bookkeepers in banks back home get fifteen hundred and eighteen hundred and two thousand dollars, and not much more than that.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. CANNON. I yield the gentleman 10 additional minutes.

Mr. BLANTON. Here is the corporation counsel. He is a splendid fellow. He is a good friend of mine and I like him. He is a bully good fellow, but before this act he received \$4,000 a year. Now he is getting \$9,000. That is a \$5,000 raise. Then he has an assistant at \$7,000, another assistant at \$7,000, another at \$6,000, another at \$5,000 who used to get \$1,800, another at \$4,800 who used to get \$2,500, another one at \$4,000, another one at \$3,000, another one at \$3,200 who used to get \$1,600, another one at \$3,200 who used to get \$1,500.

Mr. HARLAN. Will the gentleman yield for a question?

Mr. BLANTON. In just a minute.

The corporation counsel has another assistant at \$3,200; one other at \$3,200; another at \$2,800; another at \$2,600; another at \$2,200; another at \$2,700 who used to get \$1,400 before this act was passed.

Mr. HARLAN. Will the gentleman give the date of the act?

Mr. BLANTON. 1923.

Here is the coroner, who is just an ordinary justice of the peace. There are justices of the peace in the United States who do not make a thousand dollars a year, who do three times as much work. Here is this coroner who had his salary raised from \$1,800 to \$3,200.

Here is the weights and measures man, \$3,700. Here is a chief clerk who had his salary raised from \$2,490 to \$4,000. Here is a whole bunch of them in the municipal architect's office. Just notice how they run. The municipal architect, before the act was passed in 1923, received \$3,600. Now he gets \$7,500. He has an assistant at \$5,000; another at \$4,600; another at \$4,600; another at \$3,800; another at \$3,800; another at \$3,200; another at \$3,300; another at \$3,200; another at \$3,200; and so on down the line. He has about a dozen associate engineers getting from \$2,600 to \$3,800, all in that one office. The Public Utilities Commission, not the members of the commission but employees of the commission: Mr. Bachman used to get \$3,000. Now he is getting \$5,000. There is a whole bunch of them.

Here is Mr. Theodore Cogswell, register of wills, who is a splendid, good fellow. He is probably up in the gallery now. He has been around this Capitol for quite a while trying to overturn the action of the chairman on this bill. He used to be a clerk at \$1,200 down there. When this act was passed he was getting \$4,000. He was immediately raised to \$6,400; a \$2,400 raise. In addition to that, last year he was professor of wills out at Howard University. He was paid last year \$700 salary for that. Then he is retired, as

a disabled emergency officer of the United States, supposed to be disabled so he can not work, and he gets \$125 per month for life for that—retired pay. When I asked him how much time it took to prepare these lectures that he gave at Howard University on wills, he said three or four hours per lecture. He is a disabled emergency officer, getting \$125 a month and has been getting \$700 a year from Howard University, and as his salary he is getting \$6,400 from the District government. I told him the other day when he came into my office that if he would give all of his time to the Government and cut out these Howard University lectures and if the rest of his employees would do a good, hard day's work like Congressmen have to do, the chairman of the committee would not be criticized for cutting his force.

I am backing our chairman on his bill. You will have a lot of these propagandists and a lot of these lobbyists here to try to tear the bill to pieces. I am wondering if you are going to let them do it?

Let me mention just a few bureaus, to show you how the 1923 classification act raised salaries of all bureaus.

#### BUREAU OF THE CENSUS

Let me show you how the classification act of 1923 affected the employees in the Census Bureau. Mr. William M. Steuart was raised from \$6,000 to \$9,000 per year. Mr. Joseph A. Hill was raised from \$4,015 to \$6,000. Mr. Arthur J. Hirsch was raised from \$3,300 to \$6,400. Mr. LeVerne Beales was raised from \$2,920 to \$6,400. Mr. William L. Austin was raised from \$3,300 to \$6,000. Mr. Leon E. Truesdell was raised from \$2,920 to \$6,000. Mr. Starke M. Grogan was raised from \$3,300 to \$5,800. Mr. Harvey J. Zimmerman was raised from \$2,920 to \$5,800. Mr. Clarence E. Batschelet was raised from \$2,190 to \$5,800. Mr. Timothy F. Murphy was raised from \$2,920 to \$5,800. Mr. George W. Potter was raised from \$1,400 to \$3,000.

#### BUREAU OF FISHERIES

Here is how the 1923 classification act shot upward the salaries of the employees of the fisheries, a few of which I will mention: Mr. Henry O'Malley's salary was raised from \$5,000 to \$9,000 per year. Mr. Lewis Radcliffe was raised from \$3,500 to \$7,000. Mr. Reginald H. Fiedler was raised from \$1,680 to \$4,600. Mr. Glen C. Leach was raised from \$2,700 to \$5,000. Mr. Ward T. Bower was raised from \$3,000 to \$5,000. Mr. Albert K. Brown was raised from \$2,000 to \$4,600. Mr. Wallace T. Conn was raised from \$2,400 to \$4,600. Mr. Herbert S. Davis was raised from \$2,500 to \$4,800. Mr. Samuel F. Hildebrand was raised from \$2,500 to \$4,600. Mr. John R. Manning was raised from \$2,200 to \$4,200. Mr. Milton C. James was raised from \$1,200 to \$4,200. Mr. James M. Lemon was raised from \$2,100 to \$3,400. Mr. John R. Gardner was raised from \$1,320 to \$2,700. Alice W. Stearns was raised from \$1,800 to \$3,200. Edgar W. Fearnow was raised from \$1,600 to \$2,700. John R. Van Houten was raised from \$1,400 to \$2,500. Carl B. Tendick was raised from \$1,000 to \$2,500. Helen K. Collins was raised from \$1,400 to \$2,700. Oscar E. Sette was raised from \$2,500 to \$5,000. John Van Oosten was raised from \$1,400 to \$4,200. Dennis Winn was raised from \$2,500 to \$4,100. Herbert F. Prytherch was raised from \$1,400 to \$3,800. Edward M. Ball was raised from \$2,000 to \$3,800. Thomas K. Chamberlain was raised from \$1,400 to \$3,500. Gustav W. Carlson was raised from \$1,700 to \$3,200. Harlan B. Holmes was raised from \$1,400 to \$3,200.

#### COAST AND GEODETIC SURVEY

Let me mention a few positions in the Coast and Geodetic Survey to illustrate how the classification act of 1923 boosted their salaries: Oscar S. Adams was raised from \$2,500 to \$4,800. Henry G. Avers was raised from \$2,600 to \$5,200. Harlow Bacon was raised from \$2,700 to \$5,000. Oscar R. Baker was raised from \$1,200 to \$2,600. Dudley P. Barnette was raised from \$2,440 to \$5,000. Percy B. Castles was raised from \$2,500 to \$4,600. Clara B. Church was raised from \$2,040 to \$3,400. Charles H. Deetz was raised from \$2,900 to \$5,200. Lindsey P. Disney was raised from \$1,840 to \$3,800. Edmund P. Ellis was raised from \$2,700 to \$5,000. George L. Flower was raised from \$2,900



to \$6,200. Henry S. Gamble was raised from \$2,500 to \$4,600. Daniel L. Hazard was raised from \$3,000 to \$5,200. Walter D. Lambert was raised from \$2,500 to \$4,800. Harry A. Marmer was raised from \$2,700 to \$5,200. Frank Neumann was raised from \$2,040 to \$4,000. Douglas L. Parkhurst was raised from \$3,000 to \$5,600. Walter F. Reynolds was raised from \$2,700 to \$5,000. Aaron L. Shalowitz was raised from \$2,300 to \$5,000. Clarence H. Swick was raised from \$2,500 to \$5,000. Walter J. Bilby was raised from \$1,200 to \$3,200. Ralph R. Bodle was raised from \$1,620 to \$3,000. William Mussetter was raised from \$2,040 to \$4,700.

#### PATENT BUREAU

Here are some in the Patent Office: Thomas E. Robertson was raised from \$6,000 to \$9,000. William A. Kinnan was raised from \$5,000 to \$7,500. Millard J. Moore was raised from \$4,000 to \$7,000. Fred M. Hopkins was raised from \$3,900 to \$6,500. James W. Clift was raised from \$3,900 to \$6,500. Frank P. Edenburg, Elonzo T. Morgan, Paul P. Pierce, Walter L. Redrow, and William L. Thurber were all raised from \$3,900 to \$6,500 each. Eugene Landers was raised from \$4,000 to \$6,500. Irvin P. Disney was raised from \$4,000 to \$5,600. Harry I. Houston was raised from \$3,300 to \$5,600. Harold H. Jacobs was raised from \$2,800 to \$5,600. Franklin L. Adams was raised from \$2,800 to \$5,600. Robert E. Adams was raised from \$3,100 to \$5,600. Winfred M. Adams was raised from \$3,900 to \$5,600. Leo P. McCann was raised from \$1,500 to \$4,600. Samuel Levin was raised from \$1,925 to \$4,600. Edwin L. Reynolds and Philip W. Shepard were each raised from \$1,925 to \$4,600. Louis J. Dembo, Pasquale J. Federico, Alfred B. Goodall, and Revere P. Gurley were all raised from \$1,650 to \$3,500 each. Leighton W. Johnston was raised from \$1,200 to \$3,500.

The above will illustrate just how the salaries have been raised by the 1923 classification act in all of the numerous bureaus of this Government. I fought against that act when it passed. I did everything within my power to stop it. The unions of the various employees of this Government under whip and spur forced it through Congress. And the above is the result.

Mr. FULBRIGHT. Will the gentleman yield for a question?

Mr. BLANTON. Please let me get these facts in here. They are important. I have already taken too much time. These are important statistics. You will find this same condition in every bureau and every department of this Government where this Classification Board has taken fourteen and fifteen hundred dollar clerks and put them in as chiefs or deputies or superintendents or directors in charge of units and called them department heads and raised their salaries double and sometimes treble since 1923. It is not right. I am one who is going to fight them until something freezes over.

Mr. FULBRIGHT. I just wanted to ask the gentleman if this increase in salary had increased the efficiency of service, or if they got a better personnel?

Mr. BLANTON. Oh, no. They got the same ones, and they usually put somebody else in his place as assistant at a bigger salary than he got formerly to do the work for him.

I have been trying to get the secretary of the Reconstruction Finance Corporation on the phone all the morning. I tried to get his assistant. I could not even get his assistant. Finally, I got a subsecretary down the line four or five times removed. She promised to give me some information in two or three hours, and I have not gotten it yet. I will have to go down there to get it.

You usually destroy efficiency when you raise salaries in the way these salaries have been raised.

Did you know that you can not control the salary of a single one of these bureau chiefs? Did you know that? You have not got a bit of control; you are absolutely helpless. You go back home and your people say, "Why do not you do so and so?" I want you to tell them you can not do it because there is a law here, the classification act of 1923, that puts it in the hands of a board of Government

employees to say how much salaries the employees of the Government shall receive.

Now, I am for the employees. God knows I sympathize with the real workers who do the work down there on little measly salaries. It is these up-above chiefs who are getting paid and do not do the work, who spend lots of their time on the golf links in golf weather, and who are doing extra work outside the Government, lecturing somewhere, or getting outside salaries for something else that I complain about. It ought to stop. I want you to read the facts I have mentioned to-morrow. Did you know that I have gotten a list of every employee in the Government, in every bureau and department, who draws over \$2,500 a year, showing what they drew in 1923 and what they have drawn since the 1923 act was passed? I wish the Congress would give me authority to publish it in document form and let you have it. It is worth the money. I have spent a long time in accumulating this information, and I hope the Committee on Printing, before we adjourn, will pass a resolution to give me authority to publish it in pamphlet form.

Now I am through and shall be pleased to answer the gentleman's question.

Mr. HOLMES. On what page of the hearings are these figures to be found?

Mr. BLANTON. These figures are printed in the hearings on the District of Columbia appropriation bill for 1933, beginning at page 30. From the RECORD to-day the gentleman will have the figures on District of Columbia employees who draw over \$2,500 per annum.

If there are no further questions, I gladly yield the floor.

Mr. HOLADAY. Mr. Chairman, I yield 15 minutes to the gentleman from Kansas [Mr. McGugin].

Mr. MCGUGIN. Mr. Chairman, along the line of the remarks of the gentleman from Ohio [Mr. FIESINGER], a member of the Committee on Coinage, Weights, and Measures, which committee has been discussing the silver question and other related monetary questions, I wish to make a few remarks.

In the beginning I may say that it seems to me we are just about at the end of the road on the principle involved in the Reconstruction Finance Corporation, of Government credit being extended to private institutions. That is, we are about at the end of the road so far as is concerned the ability of the Government to carry out this program. However, we have just barely started in trying this program, unless we obtain some monetary reform very quickly.

Now, let us see what confronts the country. The Reconstruction Finance Corporation has an authorization of a total amount of \$4,000,000,000. We started out with the idea that we would only bolster up the credit of certain key institutions, such as the banks, insurance companies, and railroad companies. The first Reconstruction Finance Corporation movement contemplated the use of \$2,000,000,000.

When we were considering the first Reconstruction Finance Corporation bill it was suggested by gentlemen from Chicago and New York City that municipalities be made eligible for loans. The House literally howled that down; they gave it no consideration. We had not gone more than three or four months with the Reconstruction Finance Corporation plan until the President himself had to bow to the inevitable and ask to make loans to cities.

What has happened? We now find the farm mortgagees demanding that they be given relief through the principle of borrowing money from the Reconstruction Finance Corporation. We have bills here for \$1,000,000,000 of farm mortgage relief to take care of some interest. This will be but a drop in the bucket. There is \$9,000,000,000 of farm mortgages, and if we are going to furnish credit to take care of the interest we are ultimately going to have to furnish money to take care of the principal. Then, when we take care of the farm mortgages it follows, as night follows day, that Uncle Sam must be as good to his city children as he is to his rural children and take care of the city mortgages, and that will be another \$14,000,000,000.

Having taken the course of trying to use public credit, Government credit, to bolster up private obligations, we find



ourselves confronted with this situation: That there is now a total of nearly \$24,000,000,000 of debt in this country which is clamoring for the same protection; and, sooner or later, Congress will be forced to give in. When this happens what will be the situation of the Government of the United States? The very Government that is being called upon to take care of these obligations is a Government which can not balance its own Budget and is unable to get enough revenue to meet 50 per cent of its current obligations.

We have not played the game exactly square with ourselves or with the country. We have said we would not make appropriations for the Reconstruction Finance Corporation but would have the corporation borrow the money. It was obvious from the beginning that the Reconstruction Finance Corporation could not go out and borrow that \$4,000,000,000, or the \$2,000,000,000 to start with, from the public, and it was necessary to provide for the Secretary of the Treasury to take up the Reconstruction Finance Corporation bonds. This is what has been happening. The Secretary of the Treasury has been buying the bonds. Where has the Secretary of the Treasury been getting the money? By issuing short-term notes and selling them to the banks, the same identical way the Secretary of the Treasury would have gotten the money had we made the appropriation to provide funds for the Reconstruction Finance Corporation.

It appears now that our Budget has become unbalanced to the extent of about \$1,500,000,000 since July 1 of this last year. That is what appears in the Budget. The truth is it has become unbalanced nearly \$2,500,000,000 to \$3,000,000,000 since July 1 last year, because there should be added thereto the money the Secretary of the Treasury has borrowed and turned over to the Reconstruction Finance Corporation.

There is \$198,000,000,000 of debt in this country. This much is certain: If the people can not pay the debt themselves directly, then they can not pay it through the processes of paying taxes into the Government and the Government lending the money back to them to take care of their debts. We are reaching the phase where neither the people nor the Government can borrow itself out of debt. The truth of the matter is we have now about reached the end of our program, and the American people are squarely confronted with making a choice between two alternatives: Either going through a liquidation, which means a repudiation in whole or in part of the debts of the country, or bringing about a reduction in the value of the dollar which pays the debts.

We can simply take our choice. Personally I think it is more humane to take an honest, fair, frank reduction in the value of the dollar that pays the debts.

Now, what is the value of a dollar? Some one says a dollar is worth 100 cents. That is an illusion. A dollar is worth 22.23 fine grains of gold, because that is the gold content of a dollar; and when you talk about reducing the value of the dollar there is just one way to reduce it, and that is to reduce the amount of gold in the dollar. As long as you leave the same gold content in the dollar it is going to have the same identical value.

There are those who seem to think it is exceptionally hazardous to think about reducing the gold content of the dollar. What is sacred about 22.23 fine grains of gold in a dollar? Why is that the content of our gold dollar? Because Congress at a former time provided by law that that would be the content of a gold dollar.

At that time the gold dollar did not have to bear the responsibility of paying \$21,000,000,000 of national debt and countless billions of dollars of State and local public debt. The gold dollar at that time did not have to bear the responsibility of paying a total debt in this country of \$198,000,000,000. It does to-day, and the amount of gold has not increased in proportion to the increase in our debts. That simply means that this amount is not going to be paid in full on the basis of a dollar of 22.23 grains of gold.

Mr. EATON of Colorado. Will the gentleman yield?

Mr. McGUGIN. Yes.

Mr. EATON of Colorado. The gentleman has given this subject a great deal of thought and attention. I wonder what his answer is to what would be done with the value of additional gold which is now in existence and which would be increased by such a reduction in the value of the gold dollar. For example, if you reduce it one-third then the present four and a half billion of gold would have the same intrinsic value, and you would have a third more for coins which would be in the hands of the people who have the actual gold. How are you going to equalize that if you make such a change?

Mr. McGUGIN. We have now approximately four billion in gold based upon 22.23 grains to the gold dollar. Of course, if we reduce the gold content one-third it would mean we have six billion of gold instead of four; no more gold, but we would have \$6,000,000,000 of 15-grain dollars instead of \$4,000,000,000 of 22.23-grain gold dollars.

Now, as I understood the gentleman's question, suppose I have a thousand dollars of gold. The minute you reduce the content of the gold dollar a third it means that I have approximately 1,500 of the new dollars of 15 grains each. You say I make a third. Yes; the man that has his money invested in gold makes one-third; but the man that has his money invested in anything else will make a third, measured in the value of new dollars. If he has a farm which to-day is worth five thousand of present dollars, if you reduce the content of the dollar one-third the farm is then worth one-third more dollars—not 22.23 grains but of 15 grains.

Mr. EATON of Colorado. Then, if you have changed the measuring rod and you have said that this thousand dollars in gold which has 1,000 as its mark, you leave the gold exactly as it was and say that its mark is now 1,500, how have you done anything but just change words?

In other words, the gold is the gold, and the figures representing its value have been changed, but the quantity of gold is the same. Its intrinsic value for trading or other purposes does not change even though you change the figures representing it.

Mr. McGUGIN. Measured in the number of dollars, it is increased one-third. It is changed. It is increased one-third. If you have a pound of metal here and divide it by 22 you have fewer units than you do if you divide it by 15, do you not? That is obviously the situation.

Mr. STEVENSON. Will the gentleman yield?

Mr. McGUGIN. Yes.

Mr. STEVENSON. The gentleman spoke of there being two alternatives—one to repudiate and one to reduce the amount of gold in the dollar.

Mr. McGUGIN. No; I did not say that. I said we had the alternative of either going through repudiation, which we are now going through, or reducing the value of the dollar which pays the debt.

Mr. STEVENSON. Then the method the gentleman would employ would be reducing the number of grains that go into the dollar?

Mr. McGUGIN. Yes.

Mr. STEVENSON. Then, take this twenty-one billion of to-day that the United States owes, most of which is written payable in dollars of the present standard of weight and fineness, do you not present to the people who hold these bonds one-third more dollars than they are entitled to? You either do that or, if you make them take the reduced dollar in the debts named in the bond, then you have repudiated the debt to the extent of one-third.

Mr. McGUGIN. Certainly.

Mr. STEVENSON. How are you going to handle that situation?

Mr. McGUGIN. There is no question in my mind but that you are either going to repudiate in part the number of dollars due or you are going to repudiate it in part by reducing the value of the dollar.

Mr. STEVENSON. Then there is the further question, How are you going to settle with the bondholders of this country? Are you going to repudiate the bond in part or are you going to pay them more of these dollars? How are you going to make such a settlement and has Congress the



power to repudiate and not maintain the faith of the Government?

Mr. MCGUGIN. Here is the power that Congress has: Congress has the power to coin money and regulate the value thereof. I think this means, primarily, coining a metal coin which is our basic coin or gold coin and regulating the value thereof by prescribing the amount of gold in the coin. Now, answering the question, whenever the Congress of the United States under its constitutional power provides that the gold dollar shall have 15 grains in it, I think this 15-grain dollar will pay any dollar of debt in this country, and I do not believe that by private contract a debtor may be made to pay a dollar different from the dollar which is prescribed by Congress, under constitutional authority vested in Congress to coin money and regulate its value.

Mr. PITTENGER. Will the gentleman yield?

Mr. MCGUGIN. Yes.

Mr. PITTENGER. Most of these mortgages and contract obligations now provide for payment in gold coin of the United States of the present weight and fineness. Does the gentleman mean that under the Constitution of the United States you can break that kind of contract?

[Here the gavel fell.]

Mr. HOLADAY. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. MCGUGIN. Answering the gentleman's question, let us take this illustration. I borrow \$1,000 of you to-day with the clause in it, payable in gold of the present weight and fineness. Within six months the Congress changes the content of the gold dollar until it is a 15-grain dollar. When this note falls due, I come to you and offer you my check and you say, "I do not want a check, I want gold dollars." I go back and get you gold dollars from the Treasury of the United States and bring them to you. You toss one of them into the scales and say, "I do not want that dollar; I want a 22-grain dollar and this is only a 15-grain dollar." I say to you, "I can not get any such dollar and there is not any such dollar. The Government of the United States has quit making it." You then say to me, "You can give me more dollars," and I say to you, "No; I agreed to pay you \$1,000."

Now, obviously, this contract must be breached in one of two respects, either I must be made to pay you approximately \$1,500 when I agreed to pay you \$1,000, or you must take a 15-grain dollar instead of a 22.23-grain dollar. In the last analysis, this is a question that only the Supreme Court of the United States can decide, but I do not believe the Supreme Court is ever going to say that I, a debtor, must pay to you, a creditor, a dollar different from the dollar prescribed by the Congress of the United States under the Constitution.

Mr. PITTENGER. So that the gentleman believes you can be compelled to take a dollar that has fewer grains in it than the old dollar that you agreed to pay.

Mr. MCGUGIN. Certainly. I believe that all private contracts must bow to and adjust themselves to the majesty of the Constitution. The Constitution vests in Congress, not private contractors, the power to prescribe the content of gold dollars. In addition to this, Congress can place in such legislation an equalizing tax that will take 100 per cent of all profits made from collecting dollars of more than 15 grains of gold.

Mr. CAMPBELL of Iowa. Will the gentleman yield?

Mr. MCGUGIN. Yes.

Mr. CAMPBELL of Iowa. In the CONGRESSIONAL RECORD of Thursday, the gentleman will find a brief on this subject in a speech of the gentleman from North Dakota [Mr. BURTNESS].

Mr. MCGUGIN. Yes; I may say to those who are interested in this phase of the question that the address of the gentleman from North Dakota [Mr. BURTNESS] of Thursday, February 9, discusses this question and cites Supreme Court decisions, none of which is directly in point because the specific question has never been before the Supreme Court of the United States. But in the legal-tender cases the court

does recognize the proposition that Congress is all powerful in coining money and regulating its value under this section of the Constitution.

Now, there is one other thing I wanted to discuss. Last night President Hoover, in his address at New York, made the statement that the one hope of the world to-day is for the gold standard to be reestablished in foreign countries.

What constitutes the gold standard? We say that France to-day is on the gold standard. She is; but the franc to-day is only worth about one-fourth as much as it was prior to the war. Why? The content of the franc was reduced some 80 per cent. France is still on the gold standard, and we can reduce the content of the gold dollar one-third and we are still on the gold standard, but not a gold standard by which we redeem our dollars with 22.23 grains of gold, but by which we redeem them with 15 grains of gold. Now, how are you going to reestablish the gold standard in foreign countries? How can England reestablish her gold standard? When England went off the gold standard her pound was worth \$4.86 in exchange for American dollars. This was equivalent to saying that England was redeeming a gold pound with 108.3 grains of gold because that represents \$4.86 or 22.23 grains of gold per dollar. To-day the British pound is worth \$3.30, and this is equivalent to saying that the British pound is worth 73.35 grains of gold.

If you want to do away with depreciated foreign currencies, if you want to reestablish the exchange value of American dollars with foreign money, we have one of two courses to take—either foreign countries agree to redeem their money in gold of the former weight and fineness or we reduce the weight and fineness of our dollar.

[Here the gavel fell.]

Mr. HOLADAY. Mr. Chairman, I yield the gentleman three additional minutes.

Mr. MCGUGIN. If we were to-day to reduce the content of the gold dollar one-third or approximately to 15 grains, this would mean that the British pound, now worth 73.35 grains of gold, would be worth \$4.90. It would be worth \$4.90 of 15 grains of gold each, whereas to-day the same British pound is worth \$3.30 of 22.23 grains of gold each.

Now, when you talk about reestablishing the gold standard in foreign countries, it seems to me there is only one course left, and that is for the value of the American dollar to be reduced proportionately to the depreciation of foreign currency. Why? Foreign countries do not have the gold. They can not possibly go back on their former gold standard, for they have not the gold with which to do it.

The average depreciation of the foreign currency is from 30 to 40 per cent. If we depreciate the value of our gold dollar accordingly, there will be no such thing as a depreciated foreign currency as compared with our dollar. We shall have reestablished the rate of exchange.

If there were some way that England could go back to her former gold standard, that would be preferable.

Mr. PITTENGER. Will the gentleman yield?

Mr. MCGUGIN. Yes.

Mr. PITTENGER. Does the gentleman think that we are going to restore prosperity by depreciation of our currency?

Mr. MCGUGIN. I am glad the gentleman brought that up. The gentleman and I know that the foreign debts, as matters now stand, are going to be canceled or repudiated, and will not be paid dollar for dollar on the basis of gold dollars of 22.23 grains of gold. Why? Because the foreign debtors, France excepted, do not have the gold. But if you reduce the content of our gold dollar one-third you have reduced the foreign debt one-third.

Mr. PITTENGER. The gentleman means that that is an indirect way of cancellation?

Mr. MCGUGIN. Yes; it is an indirect reduction, but that is less costly than an inevitable direct reduction, with the reduction placed squarely on the shoulders of the American taxpayers.

Mr. PITTENGER. It is a depreciation of the dollar.

Mr. MCGUGIN. Sure.



Mr. SCHAFER. Will the gentleman yield?

Mr. MCGUGIN. I yield.

Mr. SCHAFER. The Democratic Party promised in the campaign that they would collect the foreign debts dollar for dollar.

Mr. MCGUGIN. All I can say to my friend is that as far as I am concerned, this is too serious a matter for us to bog it down in the mire of party politics. I say to Democrats and Republicans that the time has gone by when we can stand on the floor of this House and criticize each other. The banks of Michigan to-day closed, and the Republicans and Democrats alike are suffering in that State and do not care a damn about party politics; what they want is a financial system which will permit payment of liabilities. [Applause.]

Coming back to that, we discussed here the other day the giving of Mr. Roosevelt more power. That which was suggested by the Speaker of this House is an infinitesimal part of the power that will be given the President of the United States by January 1, 1934. This country is going to be in a desperate condition that will cause 122,000,000 people to be ready to say to him, "Save this country if you can, God speed you—we can not save ourselves." [Applause.]

Mr. CANNON. Mr. Chairman, I yield 20 minutes to the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Chairman, I have listened with a great deal of interest to the argument of the distinguished gentleman from Kansas [Mr. MCGUGIN] in favor of cutting down the gold content of the dollar. I have said before, and I repeat it to-day, that one of three things must happen.

We are going to have currency expansion, whether it be in the manner provided in my bill (H. R. 13012), whether it be by cutting down the gold content of the dollar, or whether it be by remonetization of silver.

If we fail to secure an expansion of the currency, then we will have to have a readjustment of all public and private debts, scaling them down, extending the time for payments, and reducing interest rates almost to the vanishing point.

Unless we do one of these two things, without much more delay, we are going to be swept into a saturnalia of wholesale repudiation of public and private obligations—ultimately including all district, municipal, county, State, and Government bonds. You say that will be revolution. So it will; but we must face the facts. The revolution has already begun. Its echoes are rolling in every day from the cornfields of Iowa, the wheat fields of Kansas, and the cotton fields of the South, where the embattled farmers are resisting the efforts of their creditors to drive them from their homes and take from the mouths of their children the bread produced by their own toil. Frankly, I do not blame them; I would fight, too. They are the victims of conditions for which they are not responsible—conditions which Congress could relieve in 30 days if it would only act in the interest of all the people and stop yielding to the dictates of the money changers of Wall Street.

The dollar is too high. A farmer who pays a debt now, or pays on a bond issued or contracted four years ago, is paying about four dollars for one, when measured in terms of the agricultural commodities or the land he must sell, or other raw materials, or even manufactured articles he must sell, in order to raise the money to meet these obligations.

Let me discuss just for a moment the three methods of expanding the currency to which I have just referred and give you briefly my reasons for preferring the method proposed in H. R. 13012, known as the Rankin-Thomas bill.

There are two things necessary to maintain commodity prices. One of them is a sufficient volume of money and the other is a sufficient velocity of its circulation. The trouble to-day is not so much a shortage of volume of currency as it is stagnation of its circulation. To reduce the gold content of the dollar would undoubtedly have the effect of increasing the volume of our circulating medium, or at least broadening the base for such an increase. If the same forces were in control of our financial system that are in

control to-day, they could even then prevent any expansion of the amount of currency in circulation.

The remonetization of silver would even be more desirable than cutting down the gold content of the dollar, provided that its coinage should be so limited or controlled as to stabilize price levels when they reach the 1926 level and thereby prevent those abnormal fluctuations that have always proved disastrous to the masses of the people in the end. Such a provision is incorporated in H. R. 13012 which I shall discuss next.

Another trouble of remonetization of silver is that some of its chief sponsors insist on its being done through an international conference which would probably take months, or even years. The country can not wait. We are sweeping on to disaster. Something must be done without delay! For me it is the first order of business from now on, whether in this Congress or the next.

The third method, and the one which I propose, is to expand the currency by issuing United States notes against the gold we now have, and putting that money into circulation by paying the running expenses of the Government with it—everything from the salary of the President to that of the rural letter carrier in the most remote precinct, soldiers' compensation, loans to farmers, and other transactions that take money out of the Treasury to be paid in these notes. That would put this money in circulation at once and start commodity prices up. It would also eliminate the necessity for increasing taxes at this or the next session of Congress.

We do not propose to issue an unlimited quantity of these notes, but to continue issuing them and putting them in circulation until commodity prices reach the 1926 level. If there should be a tendency toward an abnormal inflation, as soon as this price level rises to 103, then we provide for the sale of bonds to call in a sufficient amount of these notes to check the advance and prevent what the financiers call skyrocketing of prices. If values again decline, as soon as the price level reaches 97, we provide for the issuance of more notes and the purchase of bonds to put them in circulation until the price level again advances to 100. In that way we raise commodity prices back to what they were in 1926 and stabilize them within a 6 per cent margin ranging from 97 to 103.

You will hear this denounced by the representatives of Wall Street as "flat money." People who have their money invested in tax-exempt securities or have their wealth in cash and are hoarding it in their vaults, snugly conscious of the fact that it has risen in purchasing power 300 or 400 per cent, do not want any expansion, because they do not want commodity prices to rise. Their holdings would not buy so much if normal conditions were restored. Like Shylock of old, they prefer to exact the last pound of flesh. They and their spokesmen on this floor will call these notes "flat money," when they know that they are not flat money but good and lawful money of the United States and worth 100 cents on the dollar.

Under the present Federal reserve act we are required to retain a gold reserve behind each note of only 40 per cent. We have more than \$4,000,000,000 worth of gold—a sufficient amount to have outstanding currency of \$10,000,000,000 when as a matter of fact, at the present time we have only about \$5,600,000,000 in outstanding currency, practically all of which is being hoarded by the large banks and wealthy individuals, and very little of it is in circulation among the people. Start to issuing these new notes and putting them in circulation and you will see commodity prices begin to rise. Not only will wheat, corn, and cotton advance in value, but land values will return, labor will advance in price, houses and other properties, whose values have virtually disappeared, will come back. Then you will see this hoarded money come out and begin to seek legitimate investments, and this panic will disappear with a swiftness that will thrill the world.

The argument has been made time and time again that this is a world condition, and that expanding the currency in the United States would not restore the purchasing power



of the people of other countries, and therefore would not relieve the situation. That argument was ably answered a year or two ago by Hon. T. B. McCauley, president of the Sun Life Insurance Co. of Canada, when he pointed out the fact that whereas formerly London was the money market and gold was the standard, to-day the United States is the money market, whether it be New York or Washington, and the standard is the American dollar.

Prices throughout the world are to-day measured in terms of the American dollar. Even the currencies of other countries are so measured. The value of the pounds of Great Britain, the francs of France, the rubles of Russia, the yens of the Orient, the pesos of Spanish America, are all measured in terms of the American dollar.

Therefore, when we expand the currency and raise commodity prices in America, it will have a corresponding effect on commodity prices throughout the world. It will not only restore the purchasing power of the American people, but it will automatically restore the purchasing power of our customers in every foreign land.

On yesterday there appeared in this Capitol a Wall Street international banker, Mr. Barney Baruch, one of the three wise men from the East. The other two are Ogden L. Mills and Eugene Meyer. If the policies of these three Shylocks of finance were carried out indefinitely, this panic would last for a thousand years. There is absolutely no hope of relief in anything that anyone of them advocates. But, on the other hand, the very policies for which they stand are responsible for the present conditions of wreck and ruin.

Here are some of the things that Mr. Baruch in his statement before the Finance Committee of the Senate laid down: First, he started his drive against currency expansion with the old camouflage cry of "Balance the Budget!"

Mr. Chairman, it is utterly impossible to balance this Budget and keep it balanced on the present price levels. If every pound of cotton grown in the United States last year had been sold on the market last night it would have brought a little less than \$360,000,000. If every grain of wheat grown in the United States last year had been sold last night it would have brought considerably less than \$400,000,000. If every grain of corn grown in this country last year had been sold last night it would have brought less than \$700,000,000. All of them put together, the three principal crops of the country on which our balance of trade depends, would have brought less than \$1,400,000,000. Yet we have a National Budget alone of more than \$4,000,000,000, to say nothing of the budgets of the States, counties, and municipalities. You can never balance this Budget and keep it balanced until the value of these three principal crops exceeds the national expenditures. At the prices prevailing in 1920 they would have brought approximately \$8,000,000,000; at the prices prevailing in 1926 they would have brought \$5,600,000,000, whereas now they bring the pitiful sum of \$1,400,000,000.

I know what Mr. Baruch is after. He wants a Federal sales tax to wring from the toiling masses of America the last drop of financial blood. Our present leader, Mr. RAINY, said last year as an excuse for his capitulation on the sales tax that Mr. Baruch had converted him. They want to levy a further tribute upon the man who is already bankrupt, who is already poverty stricken, who is out of work, whose farm or home is being swept away for debt or confiscated for taxes. They want the sales tax, and why? Mr. William Randolph Hearst is one man who is honest about it. He says he wants to relieve people from paying income and inheritance taxes. Those fortunate individuals who now own millions and billions of American wealth want to escape the payment of taxes and put them onto the backs of the great mass of the people of America and drive them down to poverty, peonage, and degradation.

Mr. Baruch says that he is a Democrat. But there is nothing Democratic in anything that he advocates. He suggests "lightening the burden of debt." Of what debt is he talking? The debt on the back of the man at home? The way to lighten the burden of his debt is to raise the

price of the commodity that he has to sell. You can not do it by canceling the foreign debt.

I opposed the Hoover moratorium, and I voted against every one of the debt settlements, because every time you cancel one dollar of the foreign debt you unload it onto the backs of the American people. You can not cure this situation by canceling the international debts and unloading that burden onto the already overburdened American people.

What is wrong with the country? We are in a money panic. Let me call your attention to a statement made by a great financier. He said that when Rome fell a few people owned the Roman Empire. They had gathered unto themselves the wealth of Europe. Gold was the money of all those countries. They hoarded it. They charged as high as 48 and 50 per cent interest. To-day, when the farmer pays his taxes or pays his interest, measured in terms of his own commodities, he is paying 25 to 45 per cent interest. What was the result? People were driven to barter and trade, international trade fell off, commerce died, poverty, depression, and stagnation prevailed, Rome fell, and Europe lapsed into an economic lethargy that lasted for a thousand years. It was broken only by the discovery of America with its new and apparently unlimited supplies of gold. When that gold was added to the circulating medium of the world, Europe awoke from her lethargy of centuries and leaped forward into an era of prosperity the like of which mankind had scarcely dreamed.

We are now at the point where Europe was at the time of the fall of the Roman Empire. We have reached the end of gold. We have exhausted every field. We have prospected every mine. We have searched every territory. There are no more fields to be brought in. The per capita supply of gold is diminishing day by day. Every country, except about three, has gone off the gold standard. South Africa, which produces 55 per cent of the world's gold, suspended the gold standard less than three weeks ago, and since that time there has been a crisis in the Parliament of Holland as a result. While we have nearly one-half of the monetary gold of the world, the large financial interests of this country, who profit by high money and cheap commodities, are blocking every move to expand our currency and put that gold to work for humanity.

We have a sufficient amount of gold to issue \$4,000,000,000 of extra money, United States notes or Federal Reserve notes, and if we will do it and put that money into circulation this panic will be broken over night. In fact, it will not take that much. When we begin to expand in earnest, this hoarded money will come out and seek investments, and prosperity will return.

Now, let us see what Mr. Baruch says about that. I want to show you the fallacy of the arguments of these Wall Street bankers, these men who have their money invested in tax-exempt securities or in the institutions which are hoarding a large part of \$5,600,000,000 of currency that we now have.

Mr. Baruch calls attention to the fact that in 1928 we had \$4,700,000,000 in circulation and that prices were high, whereas in 1932 we had \$5,700,000,000 in circulation and that prices were low. All of which is true—on paper.

There are two things necessary to maintain commodity prices: One of them is a sufficient volume of money, and the other is a sufficient velocity of its circulation. Where the volume is low you must have a rapid velocity, or prices will decline. If the velocity slows down, as it has done, and is doing now, then its loss must be made up by an increase in volume.

When I was a boy we owned a water mill. When farmers would bring their corn to get it ground the miller would raise the water gate almost to the top of the dam. When the rocks started to turn they would increase in velocity very rapidly. Then the miller would drive the gate down till it was almost closed. I asked him why he raised it so high and then shut it down, or almost shut it down. He explained that he raised the gate high in the beginning in order to get the rocks started to turning and give them the



proper momentum or velocity. Then, he said, it would not take so much water to keep them going.

It is the same way with money. You must make up in volume what you lack in velocity, and vice versa, in order to maintain commodity prices. In 1914 we had \$3,400,000,000 in circulation, or a little better than \$34 per capita. That was before the war broke out. About that time the Federal reserve act was passed, and we immediately began to expand the currency through the issuance of Federal reserve notes. By 1920 or 1921 it had increased to around \$6,000,000,000, or about \$54 per capita, and there was a reasonable velocity of circulation. What was the result? Wheat advanced to \$2.50 a bushel, corn went to \$1.50 a bushel, and cotton to 30 cents a pound. Land, labor, clothes, and all other commodities advanced in price, and people enjoyed an unusual measure of prosperity. While those price levels prevailed we all got into debt. We floated bonds of all kinds, we fixed our standards of living, and our tax rates, wages, salaries, and so forth.

We had a slump in 1920 and 1921 due to a contraction of the currency, which I shall not take the time to discuss, which was later partially cured by further expansion.

About 1926 there began a systematic contraction of the currency that lasted until after the crash of 1929. As Mr. Baruch pointed out, the currency was contracted from around \$6,000,000,000 in 1921 down to \$4,700,000,000 in 1928, or back to about \$35 per capita—almost to where it was per capita in 1914. At that time Wall Street was "shearing the sheep." The financial elements represented by Mr. Baruch, Ogden Mills, Andrew Mellon, and Eugene Meyers were unloading their watered stocks onto the unsuspecting American people. Also they were unloading about \$2,000,000,000 worth of foreign bonds that are now scarcely worth the paper they are written on. There was a veritable jamboree of trading which speeded up the velocity of the circulation of what money we had. That held commodity prices up until the crash came in October, 1929.

During that time the number of people in the United States with incomes of \$1,000,000 a year grew from 21 in 1921 to 513 in 1929. During those short years there was the greatest concentration of wealth ever known in the history of mankind. When the crash came in 1929, when the criminal stock market "racket" was laid bare, the velocity of the circulation came almost to a standstill. Our foreign trade was gone. Our high protective tariff laws had provoked retaliation on the part of practically every country on earth. Our farmers were already bled white. Their purchasing power was gone. Therefore there was no one to buy our manufactured goods, especially at the high prices our high protective tariff laws had inspired. The result was that when the crash came those men who had sold watered stocks in their manufacturing enterprises invested their surpluses in tax-exempt securities, closed their factories, and turned their workmen onto the street. Our circulating medium had already been reduced below the danger point, as Mr. Baruch's figures show, and then when the circulation was paralyzed by the crash commodity prices swept to the lowest price levels in all history. Wheat went to the lowest price it has reached in more than 400 years. Cotton to the lowest level known in all the history of the exchange, and corn to the lowest price level since the first grain was purchased from the Indians.

It is true there has been expansion since that crash, and the volume of currency, on the books, has risen to \$5,700,000,000. But where is it? I wonder why Mr. Baruch did not pause to explain that this money is not really in circulation, but that it is packed away in the vaults of the big banks and wealthy individuals who are now hoarding it and opposing every effort at real expansion, because their hoarded money has doubled and trebled in purchasing power and they do not want to lose what they have gained. The money that has been expended through the Reconstruction Finance Corporation has, as a rule, found its way almost immediately into those large banks, where it is now hoarded.

These big financiers are opposing expansion and clamoring for "an honest dollar." The men who got rich out of the war, coining their money out of the blood and tears of

the suffering peoples of the world, as well as those who got rich out of the tariff, have their wealth invested in tax-exempt securities, and they too are clamoring for "an honest dollar." They do not want any currency expansion. They forbid us to touch that sacred ark of the covenant, known as the gold standard, which they understand to mean a gold standard so manipulated as to keep their dollars high at the expense of human misery.

Is it an honest dollar that bankrupts the Nation, drives farmers from their homes, fills the streets with hungry men, women, and children begging for bread, undermines and destroys our sacred institutions, and threatens to plunge our country into a devastating revolution that may destroy our civilization? No; it is a dishonest dollar; and I question the honesty of any intelligent man who calls it an honest dollar and demands that it be perpetuated on its present high pinnacle while the suffering people of an impoverished nation pay the terrible price in human suffering they are now forced to endure. Here we are in a land rich in natural resources beyond the dreams of avarice. Protected by the most wonderful natural barriers, with a wonderful climate, a fertile soil, and peopled with the offspring of the pioneer races of the earth—the "heirs of all the ages in the foremost files of time." Our land is teeming with abundance. We have more wheat, more corn, more cotton, more manufactured articles, more of everything necessary to sustain human life and contribute to the human comforts than was ever known before in all the tides of time. We live in an advanced age when we have gained the greatest ascendancy over the forces of nature and the greatest command over our surroundings ever attained before in all the ages. We have gathered unto ourselves more gold than was ever held before by any nation since the fabled days of Midas.

Yet with all that we have more poverty, more bankruptcies, more failures, more suicides, and more suffering than was ever known before in any one country at a given time.

We have the power to relieve the situation, yet we sit, with an impotent leadership, and let the influence of such men as Ogden Mills, Barney Baruch, and Eugene Meyer continue to paralyze the country and intensify its suffering merely because the Congress of the United States does not have the courage and the statesmanship to properly assert itself and pass legislation to expand our currency, put that currency in circulation, and bring back the purchasing power and restore the prosperity of the American people.

Mr. CAMPBELL of Iowa. Will the gentleman yield?

Mr. RANKIN. I yield.

Mr. CAMPBELL of Iowa. I want to call attention to the fact that the Federal Reserve Bank of Chicago at the present time has a backing of over 90 per cent against every dollar in circulation, and regardless of that fact, in my country and, I notice, in Michigan, practically one-half the banks have closed.

Mr. RANKIN. Yes. I thank the gentleman from Iowa, and that is just the symptom of the real disease. Unless something is done this crash is going on and on until all those banks go down.

Mr. RAGON. Will the gentleman yield?

Mr. RANKIN. I yield.

Mr. RAGON. Have those countries which have gone off the gold standard in recent years inflated their currency, or what has been their tactics?

Mr. RANKIN. Well, some of them have, but when they go off the gold standard and realize that they do not have to have gold behind their currency, it is a relaxation, just like a man waking up from a nightmare. It would have the same effect here if we expanded to a reasonable extent. We do not have to abandon the gold standard. We have a sufficient amount of gold to expand and stay on the gold standard.

Mr. RAGON. What has been the experience of Great Britain, for instance, or the United Kingdom, in increasing or decreasing or modifying in any way their commodity prices? Does the gentleman know that?

Mr. RANKIN. All I can say with reference to Great Britain is that I read a statement by Mr. Kayne. I think he is the ablest economist in Great Britain. He said a year ago



that Great Britain had improved in prosperity; that she was at that time the most prosperous country under the shining sun. The gentleman will find that statement in the *Atlantic Monthly*. I believe it was the issue of May, 1932.

A few months ago this condition arose in South Africa: There are two parties in South Africa, what they call the Dutch Party, that is headed by Prime Minister Herzog, and the South African Party, headed by Gen. Jan Christian Smuts, who is of English descent. When Great Britain suspended the gold standard Smuts wanted South Africa to follow her, but Herzog opposed it. Conditions grew worse, just as they have here, until they almost had a revolution in South Africa. About three weeks ago Judge Teilman Roos, who had been a Member of Parliament, but who was at that time a judge of the Supreme Court of South Africa and a member of the Herzog party; resigned his place on the Supreme Bench and took up the fight for a suspension of the gold standard. He said, "We must save the people of South Africa if we save South Africa." He went down to Johannesburg to speak, a town that ordinarily pays little or no attention to political matters. He was greeted at the train by 5,000 people. He made a speaking tour and so aroused public sentiment that he forced the suspension of the gold standard in less than a week, and commodities went up 20 per cent in only a few days.

But, as I said, we do not have to go off the gold standard. We have ample gold here to back up all the currency we need. The thing we need is an expansion and new money put into circulation among the American people.

The Department of Labor worked out a chart that shows the average price of 784 commodities from 1921 to 1928. The average price level from 1921 to 1930 represents 100.

The 100 mark was passed in 1926, and that year was practically stable. Using that as the basis, we provide that whenever the commodity price level reaches 100 we cease to expand. If it goes to 103 we sell bonds, in order to call in a sufficient amount of these notes until the price level reaches 100. If the price level takes a slump and goes below 97, we propose to buy bonds and put more money in circulation until the price level rises to 100. In this way we can stabilize it within that 6-point margin, and save our people from the direful effects of violent and devastating fluctuations in the future.

Mr. McSWAIN. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from South Carolina.

Mr. McSWAIN. May I suggest to the gentleman that he discuss the third alternative he said was a possible and thinkable way out, to wit, the matter of the scaling down of the \$200,000,000,000 of mortgaged and bonded debts of this Nation in the ratio of the increased purchasing power of the dollar? May I ask whether or not he thinks any such suggestion is at all feasible or practicable?

Mr. RANKIN. No; not unless we scale them all down, bonds and all, so as to reduce taxes.

Mr. McSWAIN. Then we can eliminate that?

Mr. RANKIN. Yes; unless it is our last resort. If we are going to scale down one debt we should and must scale down all debts.

Mr. McSWAIN. That would have to be done.

Mr. RANKIN. And if we are going to scale down private debts we will have to scale down public debts and scale down the values of United States bonds. Do not get the idea from Mr. Baruch, Mr. Mills, and Mr. Meyers that the people who own these Government bonds are going to be able to exact the last pound of flesh from the suffering people of America. If we stay on these low-price levels then there must be a scaling down of the bonds, along with other debts. Under such a system you will have to begin at the dome of the Capitol and go to the most remote precinct of the United States.

Last year we attempted to do this by expanding the currency and paying off the soldiers' adjusted-service certificates. The very ones who opposed us then are now encouraging the idea of canceling \$9,000,000,000 of the foreign debts—more than three times what it would have cost, even

if raised by taxing the American people, to obtain the money to pay off these adjusted-service certificates. What we proposed to do was to expand the currency \$2,400,000,000 and put this money in circulation in that way, which would have sent commodity prices back up to normal levels and relieved this deplorable depression, without levying one additional dollar of taxes. But we were defeated in our efforts, and conditions have gone from bad to worse.

Something must be done. We can not go on this way another year. Some man said the other day that this advertisement was doing a great deal of harm. But I submit this advertisement is not what is doing the harm. This advertisement is not what is selling the farms all over the country. This advertisement is not what is bankrupting business men and breaking the small banks of the country. This advertisement is not what is driving our farmers from their homes. It is not what is filling our bread lines and our soup kitchens.

Pass this bill. Start this policy of expansion, putting this money into circulation and you will see cotton begin to rise, you will see the value of corn begin to come back, you will see wheat, hogs and cattle, lumber, land, and other commodities coming back. Then you will see this money they are hoarding begin to come out and join it. You will not have to flood this country with new money. By the time we issued \$1,000,000,000 of new money, when the people realize that the Congress is coming to their relief, rather than keep their hoarded fortunes in their vaults, people who are hoarding money will begin to invest, and then you will see commodity values return.

What will be the result with you men from the cities? You will never put men to work until you restore the purchasing power of the American farmer. You can follow Barney Baruch and Ogden Mills and Eugene Meyer until doomsday, you are never going to break up your bread lines until you restore the purchasing power of agriculture.

Our farmers are naked. I had a letter from one of the best men I know, who told me of seeing children on the streets at this time of the year barefooted. People are absolutely poverty-stricken. But give them purchasing power to buy clothes and shoes and hats and harness and other things to work with, and you will see your factory wheels begin to turn, your bread lines will disappear, your unemployment will diminish, and America will step forward into a new day of happiness and prosperity. [Applause.]

Mr. CANNON. Mr. Chairman, I yield 25 minutes to the gentleman from Illinois [Mr. KUNZ].

Mr. KUNZ. Mr. Chairman, we hear much said about the condition of our country. There is not any question but that the depression has brought on a chaotic condition. There are many remedies for the ailment, and for the last 12 years every Member of Congress has had a cure; but I believe the last speaker, the gentleman from Mississippi [Mr. RANKIN], struck the keynote and hit the nail on the head when he said that we are in the same position the Roman Empire was in just before it fell—the hoarding of money by a few and the taxation of the many who can not afford it.

I have introduced an amendment to Article XVI of the Constitution, whereby tax-exempt securities can be assessed for taxation. If this were done, the tax on them would pay the war debt and bring about a condition in this country where we would be in a position to balance the Budget and bring about prosperity.

It is estimated that \$60,000,000,000 is invested in tax-exempt securities. The gentlemen who have invested this money pay no income tax or any other tax, and the individual who earns a measly salary pays the tax for the rich man.

Why, only the other day I read in the paper where Rabbi Wise stated that the patience of the people is exhausted and that one-fifth of the people of the Nation are in bread lines because of financial stupidity.

Then, again, Father Ryan—and this comes from the pulpit—says, "Greed, timidity, cowardice blamed for economic crisis."



Every Sunday afternoon at 4 o'clock you hear a reverend gentleman by the name of Coughlin, who talks to the country at large. He tells them that the hoarding of millions by capital is causing the destruction of our Nation.

You hear these things everywhere. You have heard them for years, and yet the ears of Congress are deaf. If Congress desires to cure the ailment, pass this resolution, send it to the States, and if the people feel that present tax-exempt securities ought to be taxed, let them elect delegates who will return this amendment to Congress so that those who have hoarded money since the days of war and paid no tax, may pay the war debt for those who have suffered or lost their lives or property during or since the war.

Mr. FULBRIGHT. Will the gentleman yield?

Mr. KUNZ. Yes.

Mr. FULBRIGHT. Does the gentleman understand that tax-exempt securities now in existence would be subject to taxation with the adoption of such an amendment?

Mr. KUNZ. Tax-exempt securities could be recalled and if the amendment were passed, other securities could be issued and a tax put upon them.

Mr. EATON of Colorado. If the gentleman will yield further, would not that cause the new issue of securities to carry a higher rate of interest to take care of the difference?

Mr. KUNZ. No; not at all. I see in the Washington Herald, under date of Saturday, February 11, "Treasury issue oversubscribed at 0.23 of 1 per cent."

And yet throughout the world you hear of this depression; you hear of people in the bread line; everywhere throughout the world you see this depression and the chaotic conditions; and yet, as this paper says, there was an oversubscription of this loan of \$75,000,000 for 91 days. That does not look like depression.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. KUNZ. I yield.

Mr. CHINDBLOM. Does not the gentleman realize that there is so much money available for public securities that it shows that the money is not being used for private enterprise, and that that is the result of the depression?

Mr. KUNZ. I thank the gentleman for his suggestion; there is no question about it. But if the Liberty bonds, eight billion callable in November, if those were brought in and Federal bank certificates issued, you would put in circulation \$8,000,000,000. And even now you are not going to get it unless something is done to bring out the money hoarded by capital.

Mr. FULBRIGHT. Will the gentleman yield?

Mr. KUNZ. I do.

Mr. FULBRIGHT. Under the gentleman's resolution, would State and municipal securities be subject to taxation?

Mr. KUNZ. Yes; I permit the State governments to tax them.

Mr. FULBRIGHT. Would it prohibit the further issue of tax-exempt bonds?

Mr. KUNZ. No, it would not; but they could recall them and place a tax upon them, and by doing that reduce the surplus.

Mr. FULBRIGHT. Would it prevent any State or municipality from issuing bonds tax free?

Mr. KUNZ. There would not be any tax-free bonds.

Mr. FULBRIGHT. They would all be subject to taxation?

Mr. KUNZ. Yes, subject to taxation.

Mr. FULBRIGHT. In other words, the bonds issued by States and municipalities would be subject to taxation?

Mr. KUNZ. Yes. I have introduced the following House joint resolution to amend the Constitution of the United States:

SECTION 1. The United States shall have power to lay and collect taxes on income derived from securities issued after the ratification of this article by or under the authority of any State, but without discrimination against income derived from such securities and in favor of income derived from securities issued after the ratification of this article by or under the authority of the United States or any other State.

SEC. 2. Each State shall have power to lay and collect taxes on income derived by its residents from securities issued after the ratification of this article by or under the authority of the United States, but without discrimination against income derived from

such securities and in favor of income derived from such securities issued after the ratification of this article by or under the authority of each State.

Mr. CHINDBLOM. Mr. Chairman, will the gentleman yield?

Mr. KUNZ. Yes.

Mr. CHINDBLOM. It seems to me there is an error in limiting this taxing power to income by residents of a State. There is property in a State which is taxed on account of the situs of the property itself.

Mr. KUNZ. This gives the power to assess and tax.

Mr. CHINDBLOM. But it refers only to income by the residents of a State. There might be incomes in the State by nonresidents.

Mr. KUNZ. Apart from the creation of trusts, the three principal methods of avoiding taxation are perhaps investment in tax-exempt securities, losses, real or artificial, and the transfer of property to corporations that pay few or no dividends. Investment in tax-exempt securities is the surest method, in that the protection it affords is based on the Constitution, and therefore the taxpayer resorting to it is not under the necessity of keeping a weather eye constantly lifting for any action of Congress that might affect his status. On the other hand, though the cost is small in proportion to the tax saved in the case of a wealthy man, it is nevertheless substantial. Even, however, if surtaxes be substantially reduced, we will recognize that in this emergency high taxes on income may become a national necessity, and we should endeavor to put our income-tax system on a basis which would enable high tax rates to be levied more simply, more equitably, and more effectively than has been accomplished under recent and existing laws.

Prohibition of future issues of tax-exempt securities is clearly one of the first and most important requirements to this end. No part of the Nation's wealth should be in the position in which tax-exempt securities now are, that of being immune from taxation in any national emergency, however great.

Are tax-exempt securities taking an important or unduly large fraction of the new capital? Mr. Mellon has stated his own conviction on this point and his opinion of the serious nature of the problem raised, in a letter to the Hon. Joseph W. Fordney, chairman of the Committee on Ways and Means of the House of Representatives. The following is an excerpt from that letter:

The most important consideration is that the existence of the growing mass of tax-exempt securities, coupled with the extremely high surtax rates still imposed by the law, tends to drive persons of large income more and more to invest in wholly exempt securities issued and still being issued by the Federal Government. The result is to impair the revenues of the Federal Government and to divert investment funds from the development of productive enterprises, transportation, housing, and the like, into nonproductive enterprises or wasteful State or municipal expenditures, and forces both the Federal Government and those engaged in business and industry to compete with wholly tax-exempt issues and on that account to pay high rates of interest.

The greatest value of the full exemption from taxation arises, of course, from the exemption it confers in respect to Federal income surtaxes, and the constantly increasing volume of tax-free securities, therefore, constitutes a real menace to the revenues of Federal Government. At the same time it makes the high surtaxes operate as inducements to investments in nonproductive public indebtedness and is gradually destroying them as revenue producers. As a consequence, the yield of the surtaxes is dwindling, and there is a premium on the issue of bonds of States and cities. In the last analysis this is at the expense of the Federal Government, and it is having a most unfortunate and far-reaching effect upon the development of the whole country, because of the diversion of wealth from productive enterprise.

The greatest challenge to scientific American government and to political engineers, great and small, is the orderly organization and simplification of our tax system. As matters stand, government simply sets up a set of tollgates at the points where money passes, estates, customs, ticket offices, and the like and takes a crack at cash in passing. We have customs duties, income taxes, excise taxes, sales and luxury taxes, entertainment taxes, inherit-



ance taxes, poll taxes, and general property taxes, all writhing together in a matted mass of conflicting jurisdictions and governmental cross purposes. To-day the American tax system is in chaos, and most of the large cities of the country are bankrupt, with State taxes still rising.

In the United States Daily, under date of February 10, in regard to the proposal to tax public securities, Mr. Mills is quoted as saying the measure was practically useless in meeting the present financial crisis, but that the Government funds would be in better shape to-day if such a provision had been adopted 10 years ago. What is oil for the goose is oil for the gander. Ten years ago Mr. Mills was in Congress when his predecessor, Mr. Mellon, advocated the taxing of tax-exempt securities, and to-day he has stated what should have been done 10 years ago. If 10 years ago you could have taxed the tax-exempt securities, why not do it now, when an emergency exists, and the country is in a chaotic condition?

In the last 30 years the cost of American government has been multiplying out of all proportion to the growth of American wealth. Since 1900 our wealth has increased from about \$90,000,000,000 to about \$360,000,000,000, an increase of 300 per cent. In the same period the cost of Federal Government has increased from a little over half a billion to over \$4,000,000,000, an increase of 700 per cent. State levies on general property have increased from \$72,000,000 to nearly \$4,000,000,000, an increase of nearly 500 per cent, and municipal taxation for all cities over 30,000 population now amounts to well over \$3,000,000,000. The cost of American Government to-day is around \$12,000,000,000 and is still going up. The debts of the Government are rising steadily. In 1902 all governmental debts amounted to less than \$3,000,000,000. To-day they are over \$30,000,000,000, an increase of 900 per cent. The State debts have increased from \$2.99 per capita in 1902 to \$15.38 per capita in 1929. In the 20 years from 1902 to 1922 the combined debts of all State and local governments increased from less than \$2,000,000,000 to nearly \$9,000,000,000, and then they really began borrowing in a big way. Since the war the expenditures of our cities have exceeded their revenues by at least a quarter of a billion dollars a year. In 1929 out of 74 cities which had a population of 100,000 or over only 19 had balanced their budgets. In that year, which was one of the most prosperous on record, Chicago had a deficit of \$150,000,000. In Chicago the per capita revenue for 1922 was \$54.20 and, in 1929, \$30.43. The cost of administration for Chicago in 1920 per capita was \$39.92 and in 1929, \$50.93. In other words, while during that period the cost of living decreased 10 per cent the cost of city government rose 50 per cent. Stated differently, the cost of city government to the inhabitants of a city was greater than the combined cost of State and National Governments to the same individual. For every cent saved in taxes in Washington, 5 cents were added to his taxes at the city hall in Chicago. Of course the condition of Chicago was very different from other cities. Chicago at that time was placed in the position by a very resourceful gentleman who was seeking the high office of mayor, and in 1927 while president of the county board he had passed a resolution on July 10, 1928, nullifying the assessment and ordering a new assessment, so that in Chicago in 1928 and 1929 no taxes were collected, and the entire county of Cook was compelled to borrow money on tax warrants issued by the county and by the city and the drainage board at, I believe, the rate of 6 per cent per annum. Of course that caused consternation among the employees of the city, county, and drainage district in the city of Chicago.

In 1927 the Board of Assessors in Cook County made what was presumed to be an honest assessment on the valuation of all the property in Cook County. It seemed that the Loop district, which represents the capital of Chicago, was assessed much higher than on previous occasions, and the district outside of the Loop lowered. Mr. Kelly, representing the Loop business district with other gentlemen, instigated a movement and a resolution was introduced by the president of the board for a revaluation of the property and that

this revaluation be made by one of the representatives of the president of the county board and who was afterwards appointed. That gentleman was Mr. Jacobs, who afterwards reduced the valuation of the Loop district and increased the valuation of the property outside of the Loop, which, of course, compelled the poor property owners to carry the burden of taxation of the rich. Not only that, but one of the advisors of the mayor, Mr. Sargent, who represents the First National Bank and the Morgan interests and president of the Northwestern Railroad, had the valuation of the railroad properties reduced \$20,000,000, according to my information. This revaluation cost the taxpayers of Cook County \$4,000,000, and the interest that has been paid on money that was borrowed on tax warrants amounts to a million dollars a month. Of course, 1927 and 1928 were the most prosperous years we had, and the foresight of the present mayor, who had this resolution passed while he was president of the Cook County board, could not see that depression would stare the country in the face. If he had, I do not believe that he would have taken the opportunity of spending the people's money to revalue and reassess the property in Cook County at the expense of the taxpayers. That is why in 1929 the tax was \$50.93 per capita, and that is why the taxpayers outside of the Loop district were paying the Loop district's share of the taxes.

Only 2,411,000 individuals were liable to tax out of the 48,000,000 gainfully employed Americans in 1930. Unless prompt action is taken to stop the issuing of tax-exempt securities and divert the money now hoarded by the vested interests of the country into channels of business which will be productive to the people of the country as a whole, the authority and stability of the Government of the United States will go by default in the face of a wild clamor for funds for the farmer, funds for the veteran, funds for the unemployed, funds for nice new court houses and municipal henchmen.

The position of the Treasury grows continually worse. The long period of Treasury surpluses is plainly over. From 1920 to 1930 they totaled about \$4,000,000,000, nearly all of which was devoted to reducing the public debt. During the present year we shall actually increase public indebtedness. It is plainly time for a serious consideration of fiscal policy. Unfortunately instead of facing the situation like a statesman and inviting his countrymen to think soberly what ought to be done, the President on March 31, 1929, made a political plea as follows:

There will be no increase of taxes if the next Congress imposes no increases upon the Budget which the administration will present. But for Congress to do this, the people must cooperate to effectively discourage and postpone consideration of sectional and group interests.

This is political buncombe and nothing else. The President knew or ought to have known that such was not the case as the facts have proven that the Congress actually appropriated \$28,000,000 less than the Budget officers recommended. The attempt of the President's statement was to shift to Congress in advance the blame for the anticipated deficit and an effort to prejudice public opinion in advance against any expenditures the President might see fit to oppose, whether unemployment or farm relief or something else as the demands of sectional and group interests. The President and his supporters proposed a policy of drift in the hope that things would turn for the better. Let the Treasury meet this year's deficit by short-term borrowing as it must; it will simply face another shortage next year. This can not go on indefinitely. It is a time for tax increases, despite the anxiety of some to avoid it.

Where should the increased revenue come from? Out of higher individual income and estate taxes. We have really only started to use these powerful modern fiscal engines. In 1929 customs yielded \$602,000,000; miscellaneous internal-revenue taxes (tobacco) \$480,000,000; the corporation income tax, \$1,236,000,000; individual income tax, \$1,095,000,000; and estate tax (inheritance) \$65,000,000. Taxes on consumption, customs, tobacco, and corporation income taxes, thus yield two-thirds of the Federal revenue. Mr. David



Lawrence figures that the present tax on tobacco, cigars, and cigarettes will bring in \$500,000,000, which is three-fourths of the \$678,000,000 ordinary cost of running the Government. The customs duties are bringing in another \$290,000,000. The real trouble lies in three things: (1) The enormous interest and sinking-fund charges on Federal debt, which the Federal Budget for the fiscal year ending June 30, 1933, states will be \$1,136,700,000; (2) the cost of past wars; and (3) the preparation for future wars. About three billion of our four billion Budget for 1933 goes to pay for past wars and to prepare for future wars.

#### INCOMES TIED UP IN TAX-EXEMPT SECURITIES

In 1929, 504 individuals reported incomes of a million and over and 967 individuals reported incomes of between \$500,000 and \$1,000,000. In 1930 the former group had shrunk to 149 and the latter 311, as compared with 206 and 576, respectively, in 1916. Individuals returning incomes from \$5,000 to \$10,000 had grown from 150,000 in 1916 to 505,000 in 1930. Now, how many of the gentlemen reporting incomes of one million or \$500,000 to \$1,000,000 have their money tied up in tax-exempt securities, the interest of which is paid by the smaller taxpayer to these gentlemen who do not only fail to pay any income tax on their tax-exempt securities but who are sucking the lifeblood out of the Nation by having the poor pay the rich. This Government is not for the people but for the few who are protected and kept by the people. It is claimed that our long-term bonds are selling to-day at a discount, even those bearing as high an interest as 3½ per cent.

Of the total interest-bearing debt, aggregating \$17,040,000,000, \$14,310,000,000 consists of long-term bonds, some of which were callable in 1932 and others this year. In November of this year \$6,268,000,000 of fourth Liberty Loan 4½ per cent bonds become callable. They mature as early as 1938 and this immense issue must be retired or refunded over the comparatively short period of five years. If the increase in public debt can be arrested this year the Treasury's general debt retirement and refunding program might be managed. According to reliable sources an additional revenue in excess of \$900,000,000 is required for the year 1933.

#### SURTAXES

The persons who gain most from exemption are those who pay the highest surtax rates, yet the bonds must be sold on such terms as to make them attractive to the lowest class of taxpayers which has to be appealed to in order to make sure of marketing the entire issue. It is to the advantage of this lowest class, not to the advantage of the highest class, which limits the gain to the Government from marketing tax-exempt securities on more advantageous terms. Tax exemption also destroys the personal character of the income tax and builds up a tax-exempt class of the wealthier citizens which makes them and the Government peculiarly liable to popular prejudice and demagogic attacks.

Our transportation systems and other essential industries of the first order complain that they can not attract surplus property income into the investments they are able to offer. They recognize that, in order to obtain fresh capital needed, they would require to offer a rate of interest which would provide, after deduction of income tax, a return equal to that offered by State and local governing bodies whom the law permits to issue stock free from taxation. The rate of interest necessary to make such a provision would be a rate that would make their undertakings too costly to return an adequate profit. A reduction in surtaxes to a maximum of 25 per cent would at once divert a huge amount of capital from tax-exempt securities to productive enterprises. The net result would not only be an actual increase in the aggregate tax collected but increased competition in productive lines would inevitably tend to lower the cost of living.

Andrew W. Mellon wrote Ernest Hamlin Abbott, editor of Outlook, in December, 1923, and his words are prophetic:

It seems difficult for some to understand that high rates of tax do not necessarily mean large revenue to the Government and that more revenue may often be obtained by lower rates.

With the open invitation to all men who have wealth to be relieved from taxation by the simple expedient of investing in the more than \$11,000,000,000 of tax-exempt securities now available and which would be unaffected by any constitutional amendment, the rich need not pay taxes. We violate Adam Smith's first maxim. Where these high surtaxes do bear is not on the man who has acquired and holds available wealth but on the man who through his own initiative is making wealth. The idle man is relieved; the producer is penalized. We violate the fourth maxim. We do not reach the people in proportion to their ability to pay, and we destroy the initiative which produces the wealth in which the whole country should share and which is the source of revenue to the Government.

#### WHY MILLS TAKES ACTION

What rates will bring in the maximum amount of revenue to the Government? The Treasury estimates that the highest surtax should not exceed 25 per cent, which, with a normal tax of 6 per cent, will impose a total tax of 31 per cent on incomes of \$100,000 and over. It arrived at this conclusion in the following way: At the present time a man with an income of \$200,000 pays a tax of 58 per cent. He can invest in tax-exempt securities paying 4½ per cent and receive as much net income as he would make in a business enterprise paying 11 per cent. Good investments paying 11 per cent are hard to find, so the man of large income is more and more tending to avoid the risks of business and to put his money into tax-free bonds. There is no dearth of such securities available for investment. At the present time more than \$15,000,000,000 of tax-free securities are outstanding, and the loss of revenue to the Government over what it would receive if the income were taxable has been estimated at a very large amount. Surtaxes are rapidly failing as a source of revenue to the Government, as they not only encourage State and municipal extravagance and thereby increase local taxes but they also retard the natural growth of industrial enterprise.

This all brings us back to the original proposition that, while the Government may seem to have the power to fix its taxation rates at will, in reality it is bound by the same economic laws as any other business. If the Treasury is to be assured of a continuous source of income, our citizens must prosper and if they are to prosper, the appropriation by the State of their earnings and property must be based upon economically sound principles.

I do not say that it is within our power to fix with mathematical certainty the exact surtax rates which will yield the most revenue to the Treasury with the least disturbance to business. We can, however, demonstrate the upper brackets beyond which no rate can go and be economically sound. For instance, a man with a high income of a taxable and a tax-exempt investment to go into. Usually the tax-exempt investment is a municipal bond and the risk of loss is small. On the other hand, a taxable investment can be instanced by a productive business which involves some risk for which the investor demands an additional income return. We may assume that the weight given by the average investor to this risk is about 2 per cent. Taxes aside, we should then treat a 4½ per cent investment, absolutely safe, as the equivalent of a 6½ per cent investment where there was an element of risk. Under our present maximum income-tax rates, the productive business must show a gross return of 12 per cent to be the equivalent, tax and normal risk considered, of a 4½ per cent tax-exempt bond. Now, no business, however successful, can insure a gross return of 12 per cent on the investment. If the maximum rate of normal tax and surtax were cut to 20 per cent total a 4½ per cent tax-exempt security would stand on equality, tax and risk considered, with an 8 per cent productive investment. The difference between an 8 and 12 per cent gross return is the difference between reasonable assurance of safety and speculative risk; the first will attract a conservative investor, the latter repel him.

#### THE COST OF TAX-EXEMPT SECURITIES TO THE UNITED STATES GOVERNMENT

A few years ago William Rockefeller, who had borrowed \$31,000,000 and whose estate consisted of \$44,000,000 of tax-exempt securities, had two-thirds of his estate in tax-exempt bonds. Forty-four million dollars' worth of tax-



exempt bonds consisting of two-thirds of his assets! As to that much he sat by and paid no tax, and to that extent the rest of his fellow countrymen were paying for the Government, and he was not.

Mr. Rockefeller borrowed \$31,000,000. Now, at least \$11,000,000 of that must have been spent for tax-exempt securities, because he only had \$20,000,000 of taxable securities in his estate when he died. That much we have. Let me show how he worked it. His interest on \$44,000,000 of tax-exempt securities was approximately \$2,000,000 a year. All of that \$2,000,000 was absolutely tax exempt. The interest that he paid his creditors, who happened in this case to be his children, if he paid 6 per cent, was \$1,800,000 a year. Under the law as it stands, as we are trying to correct it, that \$1,800,000 was deductible from his taxable income. He had about \$20,000,000 of taxable securities. Now, let us suppose that he got a high rate of interest on the \$20,000,000. Let us suppose that he got as much as 9 per cent upon all of his taxable income. It would absolutely be wiped out by the deduction of the \$1,800,000 of interest that he was paying to his children. Therefore he got \$2,000,000 of tax-exempt income and did not pay one penny of tax on it, and he got 9 per cent on his \$20,000,000 of taxable securities and paid no tax on that.

Now, let me apply it to a simpler case. Suppose that I have a business that yields me \$50,000 a year. If I let matters rest, I pay an income tax; but if I go to my banker and borrow \$1,000,000 at 5 per cent and put it into municipal bonds and pay 5 per cent to the bank, what happens? The 5 per cent I get on the \$1,000,000 of tax-exempts comes into me, and I pay no tax on it—the \$50,000 of nontaxable income—and I actually get the same amount net each year but pay no tax.

I pass my share of the burden of paying for the Government over to my fellow citizens.

#### SUMMARY

The first section of the resolution which I have introduced provides that the United States Government can assess taxes upon incomes from State securities issued after the ratification of this article, which it can not do at the present time; but the really important thing also in the first section is that it must be done without discrimination against income derived from other securities issued by the State, any other State, or the Federal Government itself.

The second section gives the State government the right to tax Federal securities that might be issued after the time this amendment is adopted the same as the Federal Government is protected in the first section. The two clauses are necessary in order to be sure that the tax-levying authority conferred on both the Federal Government and the individual States shall be reciprocal.

#### CONCLUSION

Wealth will go into tax-exempt securities as long as the surtax rate is higher than 25 per cent. There is no way to tax tax-exempt securities now outstanding unless these securities are called in and new securities issued; and this would be in any event trying to do indirectly what can not be done directly under the Constitution, as it would be in violation of the contract clause of the Constitution. If we ever want to get out of the rut and force wealth to pay its just cost of government then stop the issuance of tax-exempt securities, raise the surtax rates, or place a tax on tax-exempt securities to be issued in the future and raise the surtax rates. Unless one of these two policies are followed the well of wealth of the people will eventually be milked dry by the vested interests of the country who are now behind a wall of protection with tax-exempt securities and a good crop to draw from in the future. [Applause.]

Mr. HOLADAY. I yield 20 minutes to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS. Mr. Chairman, ladies and gentlemen of the committee, Uncle Sam's money has been so sound in its value and so general in its distribution and so rapid in its velocity that we had come to think of our financial system as being well-nigh perfect. In our search for a cause or causes of the depression nothing is free from investigation and suspi-

cion. Not many understand the money question. Not many understand the relation of finance to industry, commerce, and government. In these days we hear much discussion of the subject. From the platform, over the radio, and through the press we are constantly being advised with reference to the gold standard, inflation of the currency, and other kindred subjects. Because of the fact that heretofore we have considered our monetary system safe we have not given ourselves to a study of it, and consequently we find it difficult to follow these discussions.

It shall not be my purpose to enter into the intricacies of these subjects, but rather to present some facts concerning our money. I shall not dwell with theories or with the depression, but with facts concerning the various kinds of money which Uncle Sam issues. The facts that I shall give have been verified by the office of the Treasurer of the United States, Maj. Walter O. Wood. He is an authority on American finance and is the author of an instructive and interesting work on the various money issues of the United States.

Uncle Sam's money can be put into two classes—metal money and paper money. The former is basically the more important, but the latter circulates more rapidly. The latter has no intrinsic value but is valuable because of the fact that gold or silver or other securities are held in the United States Treasury to secure it. Uncle Sam's paper money will be good so long as he can be permitted to keep this security in his vaults. Gold and silver receive value because of their scarcity. Gold is more valuable than silver because of its greater scarcity. Gold is our standard money, hence the term "gold standard." An ounce of gold is of fixed value at \$20.67183. An ounce of silver is now worth \$0.25625 in the world competitive market. It is estimated that the available monetary gold in the world is worth \$12,000,000,000 and that the available silver is worth \$4,000,000,000. The gold dollar contains 25.8 grains of gold, which is nine-tenths fine in gold and one-tenth alloy. Hence it contains 23.22 grains of pure gold. The silver dollar contains 412½ grains of silver, nine-tenths fine, or 371.25 grains of pure silver, which is intrinsically worth \$0.1982. One ounce of gold is therefore now worth approximately 80 ounces of silver. The quantity of gold and silver in the world varies from year to year for the reason that both of these metals wear out by usage and also because the production of each varies each year. We have in the United States 37 per cent of the gold reserve of the world. Uncle Sam has much gold that is not coined as yet. It is in gold bars, or bullion. At the present time the Government has 112,000,000 ounces of gold bars of the value of \$2,300,000,000. The value of the gold coins now outstanding is \$1,840,000,000.

The Government now has \$17,981,624 in silver bars. The value of the silver coins now outstanding is as follows:

Five hundred and forty million dollars in silver dollars.

Three hundred and six million dollars in subsidiary silver coin which includes half dollars, quarters, and dimes. There is not much coining of silver being done now. The silver dollar is not in demand for usage for it is cumbersome compared with the splendidly designed currency. There are 540,000,000 silver dollars in existence but only about 29,000,000 are in use. The difference is represented by the silver certificates issued by the Government. The latter are used as money. The silver represented by the certificate is kept in the Treasury, as a trust fund for the certificate holder and will be paid to him on demand.

Minor coins such as nickels and pennies do not represent much in value but enough to consider. The minor coin outstanding amounts to \$126,000,000.

The United States Government purchases practically all the gold produced in the United States. It is provided by law that the Government buy all that is presented. The amount paid for the gold is \$20.67183 per ounce. The Government also purchases much silver. This is purchased at the market price, which fluctuates. The price now is about \$0.25 per ounce.

The Government at this time owns about 162,000,000 ounces of gold valued at \$3,300,000,000. It has about 400,-



000,000 ounces of silver which is valued at \$100,000,000 at the current market price.

About two-thirds of the Government's gold is in gold bars. Each of these bars is worth about \$8,000. It is estimated that at this time there is in the United States \$9,700,000,000 in money. This includes the gold and silver bullion and the coined gold and silver, and the paper money not represented by the bullion deposited. To count both the paper money against which trust-fund gold and trust-fund silver is held and also the latter obviously would be counting the same thing twice. The amount of gold in circulation is about \$470,000,000. The balance is held as security or tied up in one of many various ways.

Uncle Sam's paper money is of no intrinsic value in itself. It is as valuable though in commerce and trade and in the everyday walks of life as gold or silver. The reason for this is that it is secured in whole or in a large part by valuable gold or silver or other securities deposited as a guarantee for it, and it is guaranteed by the honor and the wealth of the Nation. So long as it is accepted without question the Republic is safe.

There are five kinds of paper money now in circulation: Gold certificates, silver certificates, United States notes commonly called greenbacks, national-bank notes, and Federal reserve notes. Each is easily distinguished by the inscriptions thereon. Each carries printed upon its face the contract it makes between the Government and the person who holds it.

A gold certificate states on its face that the Government will pay the holder the amount of its face in gold at any time that the certificate is presented by him to the Government Treasury. The certificate is therefore "as good as gold" and is much easier to carry and pass around. There is about \$1,320,000,000 in gold certificates outstanding at this time.

A silver certificate certifies that there has been deposited in the Treasury of the United States silver dollars equal in number to the denomination of the certificates which are payable to the holder of the certificate at any time he presents that certificate. The silver certificates pass as readily as gold certificates, for they have back of them the honor of the Government. Although the silver dollar is a legal tender everywhere, still the silver certificate that calls for that dollar is not a legal tender except as to the payment for "all public dues." This fact makes no apparent difference for the silver certificate circulates with the same velocity as any other paper money.

There are \$484,000,000 in outstanding silver certificates. There is deposited in the United States Treasury that amount of silver dollars ready to secure the silver certificates. Uncle Sam would be glad if the holders of all these silver certificates would demand the silver dollars, for he would save the price of the manufacture of the paper money. The paper dollar only lasts on an average of eight months, while the silver dollar lasts almost indefinitely. There are about 470,000,000 one dollar silver certificates outstanding. It costs about 1 penny to manufacture a \$1 silver certificate. To manufacture 470,000,000 certificates every eight months it would cost the Government about \$4,000,000. This is sufficient reason why Uncle Sam would be glad if the holders of silver certificates would demand the silver dollars which secure them. This \$4,000,000 is the price that we pay for the convenience of paper money. In the eastern part of the United States silver dollars are seldom used in business, but in the western parts silver dollars are used very generally. Why this difference Treasury officials are at a loss to know unless it is a prejudice in favor of silver in sections where silver is mined.

United States notes commonly known as "greenbacks" were first issued during the Civil War. These were not secured by a deposit of silver or gold, but were issued purely upon the honor of the Government. A law was passed making them a legal tender. This was a new principle in Government finance. The law said in effect that a piece of paper was as good as gold. This plan was the subject of much public discussion for years after the Civil War. Under the pressure of this discussion the "greenbacks" de-

preciated in value to 38 cents on the dollar. When it became evident that the Union forces would win the Civil War greenbacks rose in value, but the matter continued to be a subject for nation-wide discussion until Congress passed a law known as the resumption of specie payment law, which provided that the Government should secure the value of greenbacks by the deposit of a sufficient amount of gold with the Treasury of the United States. Since then the greenbacks have been held to be as valuable as any other kind of money.

There is back of the \$346,680,000 of greenbacks now in circulation \$156,000,000 in gold and the promise of the Government to pay them. The difference between \$346,680,000 and \$156,000,000 is \$190,680,000. This amount of greenbacks is secured only by the good credit of the Government. This is purely fiat money. This saves the Government from tying up that amount in its vaults to be idle. In other words the Government uses \$190,680,000 upon which it pays no interest. This shows the strength of our country. How much more of such "flat" money our country could issue without some dire consequences is uncertain. There is a sure limit somewhere. To permit that limit to be reached might bring disastrous consequences.

Another kind of paper money is that kind known as national bank notes. These were first issued in Civil War times to help the Government meet its obligations. They grew from the custom of State banks issuing their own paper money. This State bank's money being different in each State, became a nuisance. The Government, therefore, decided to issue national bank notes. Legislation was passed in 1863 providing for the establishment of national banks. In the same year Congress passed a law providing that national banks might issue bank notes up to 33 1/3 per cent of their capital stock, providing further that said bank had deposited a certain amount of its capital stock in United States Government bonds. When a national bank had complied with these preliminary conditions, the Government would supply the bank with bank notes and would superintend the issuing thereof. The Government required the depositing with it of the Government bonds owned by the bank in order to secure the issuance of that money. Thus gradually the national bank notes reached the same position as other paper money and passed through the channels of commerce with the same velocity as any other money. The amount that any bank might issue is controlled by the Government and does not exceed the value of the Government bonds deposited with the Government to secure the issuance of such bank notes. These notes are primarily an obligation of the bank that issues them and is not an obligation of the Government. But the Government would honor such notes if the bank failed to do so, and would honor them from the bonds which the bank had deposited with the Government for the purpose of guaranteeing the value of said notes. If the bank at any time wishes to take up its outstanding bank notes it can arrange to deposit with the Government Treasury an amount equal in value to the face value of the outstanding notes, and the Government will release to the bank the bonds that it has been holding as security and will redeem the bank notes from the money deposited as fast as they come into the bank for redemption. National banks are not required to issue bank notes. It is a privilege but is not compulsory. Only certain Government bonds are permitted to be accepted as security upon which national banks can issue national bank notes. Up to last July only 2 per cent Consols and 2 per cent Panama Canal bonds were eligible, but under the act of July 22, 1932, all United States bonds bearing not in excess of 3 3/8 per cent interest were also made eligible for a period of three years. There are now \$880,000,000 in national bank notes in circulation.

Federal reserve notes represent another class of paper currency. The name implies their source of issue. This class of paper money was designed to furnish to our financial system an elasticity that was generally thought to be necessary. Before the Federal reserve act was passed business experienced difficulty in securing adequate money at certain intervals and at times when business conditions were abnormal. To keep in circulation at all times sufficient



currency to meet all conditions would result in an excessive supply most of the time and thereby might result in price inflations that would be a constant invitation to reckless speculation. To reach this situation legislation was enacted establishing the Federal reserve system. A Federal Reserve Board was established and the country divided into 12 Federal reserve districts, each district having one Federal reserve bank. Every national bank was required to subscribe to stock in that district reserve bank. The reserve banks are not permitted to accept deposits or to make commercial loans. They accept for rediscount short-time commercial and agricultural paper of satisfactory value. This bankable paper, when supported by a deposit of gold in certain required percentage, is the basis upon which the Federal Reserve Board will issue Federal reserve notes to a member bank. The amount of Federal reserve notes issuable to such member bank is dependent upon the amount and value of the bankable paper and gold deposited by that member bank. When a member bank finds it desirable to put out a quantity of paper currency in its community it may make application for the same to the Federal reserve bank. This bank has the authority to issue Federal reserve notes to the member bank. The amount that will be issued will, as heretofore stated, depend upon the amount and value of bankable paper and gold which that member bank has on deposit with the reserve bank.

The Reserve Board must have in its possession an amount of gold equal to \$40 on each \$100 of Federal reserve notes issued. In other words, before the board issued a Federal reserve note for \$100 it must have adequate security for the full value of the note and \$40 in gold in reserve, all of which is to stand behind that reserve note and guarantee its redemption. The Government is behind these reserve notes, for according to the language printed on these notes the United States promises to redeem them.

When a bank has received a quantity of these Federal reserve notes and has put them into circulation and wishes to take up the bankable paper and other security left with the Federal reserve bank, it must return to the reserve bank a sufficient amount of reserve bank notes to accomplish this purpose. When this is done the reserve bank retires this amount of currency so as to keep in circulation only the amount required.

There is now \$2,390,000,000 of Federal reserve notes in circulation. This amount varies daily, as does the amount of all other kinds and classes of money.

The inflationists claim, in justification of their position, that because of the failure of money to circulate with its former velocity more money should be printed and circulated. But those opposed to inflation show that there is more money available for circulation now than in the prosperous times of five years ago, and that inflation is not necessary and would be a great deterrent to the return of prosperity. If steps are taken to inflate through the revaluation of the gold dollar, there is danger of undermining the corner stone of our financial system in an effort to try a questionable experiment. Attempts on our part to match or checkmate the fluctuating currencies of foreign nations will only result in putting our currency system into a fluctuating race with them, thereby endangering them all. The strength of a financial system is not in its capacity to reach great heights and great depths but in its capacity to withstand influences that tend to drive it to great heights and great depths. Its strength is in its ability to remain at a standard. The American dollar is the nearest to a standard of any money in the world. A program that would tend to bring the currencies of all the other nations to our standard should prove more beneficial to us and to the world than a program that would tend to unstabilize all currencies. I think a final settlement of the debts due to the United States by foreign nations, together with a stable currency and with a balanced Budget as proof that we intend to operate the Government within its income, will do more to restore national confidence than anything else that we can do. With national confidence restored we will be able to remedy our own domestic troubles ourselves, as we have always done.

Mr. HOLADAY. Mr. Chairman, I yield 10 minutes to the gentleman from Colorado [Mr. EATON].

Mr. EATON of Colorado. Mr. Chairman, I am very glad that such a large number have remained to hear me tell you once again about silver. The Committee on Coinage, Weights and Measures has had under consideration a number of bills, all of them looking toward finding a remedy in the coinage of silver. It is most interesting to those of us who come from the Western States to see the make-up of the committee. The chairman is from New York. The ranking Republican member is from New Jersey. Two come from Southern States. There are two, one each from Kansas and Nebraska, and the rest come from intermediate Eastern States.

When the hearings upon this subject first commenced over a year ago, it was difficult to determine what attitude the members of this committee would take. Most of them seemed to be afraid of the subject of silver. They wanted to know the meaning of remonetization, free coinage, 16 to 1, and some of the other expressions that have been used to put silver in disgrace. Since that time the Members of this Congress have begun to think, not merely about silver, but to think about money. They have given it serious thought. Some of them have looked back into their old books on money and banking, and their old books on economics, and some of them have refreshed their recollections and begun to apply the old rules to present conditions to determine what is the matter with the money and the credit of the country.

I attended one meeting where one of the high officials of the Government, representing the Federal reserve bank, stated as I thought, unequivocally, that there was no money panic; that there is plenty of money, and that the Federal reserve bank has enough gold in its possession to issue all the money that is necessary to carry on the business of the Government. At the same meeting a plan was outlined which was then being put into effect of the Federal reserve bank pushing money out, "pumping money into the banks," he said, and buying back United States bonds. Now, we come to the month of February, 1933. Let me just quote to you from a few newspaper clippings that have been collected within the last week to show whether or not there is any kind of a money shortage. I might first take to-day's newspaper and read two sentences from the Washington Times:

DETROIT, February 14.—Wielding the power of a dictator to save the State from financial chaos, Gov. William A. C. Comstock closed every bank and trust company in Michigan for an 8-day period. The State legislature was to be asked later to approve the action.

Those are the first two sentences of the story. Do you suppose those banks were closed because there was plenty of money? Of course not. There is a money panic on, and it is at the height now. It is fear. The bankers are afraid. People in Congress are afraid. People throughout the country are afraid.

Here is a newspaper article from the Rocky Mountain News of February 8:

Business men of Golden last night moved to inaugurate a scrip money system for the benefit of needy Golden families who are now being aided through the Golden Welfare League.

From the Washington Star of February 10 a question was asked in their question department:

Where is wooden money being used in this country?

Will you believe me when I tell you the writer lists 29 different States where some kind of medium is used other than gold and silver to furnish the necessary tokens for the business to be done in those communities? Here are the States and the answer:

It is said that there are 144 organizations throughout the country using so-called wooden money. The States where this movement is under way in some form are: Arizona, California, Colorado, Connecticut, Florida, Georgia, Idaho, Indiana, Illinois, Iowa, Kansas, Michigan, Minnesota, Mississippi, Montana, Nebraska, New Jersey, New York, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Tennessee, Texas, Utah, Washington, Wisconsin, and Wyoming. One of the strongest organizations is the Natural Development Association at Salt Lake City, Utah.



In 144 different towns and places in these United States on February 10, 1933—that is right now—they have had to find something to use instead of gold or silver or paper money, by using some kind of scrip, something for a token to use in the ordinary transaction of daily business.

Before proceeding, let me read you another clipping from an editorial by Mr. Albert E. Hayes, recently printed in the Denver Post:

A general mistake of writers is to confuse inflation of paper currency with the remonetization of silver. There is no connection between the two. Enemies of silver talk about a flood of unsound money. What a fallacy. After years of intensive research our Department of Commerce says the world's total silver production since 1492 to date is 15,478,000,000 ounces. Not counting the tremendous losses through the centuries, if all this could be collected in the United States Treasury at the present price for silver bullion, it would represent only \$3,869,000,000 in gold dollars. If it were all coined into silver dollars and fractions, it would not entail a penny of tax burden on the people of the United States. An official graph also shows that for 70 years commodity prices have risen and fallen with the rise and fall in silver. Our statesmen and college professors might well ponder these figures.

The holders of gold securities, including bonds and mortgages, should remember they have nothing to fear from the stabilization or remonetization of silver. It will support our monetary structure and restore trade with half the world that knows only silver as money. Our Treasury can hold silver as a reserve to back up silver certificates exactly as it holds gold reserves. That is in no sense inflation in the sense that Germany used inflation.

All this gold and silver that has been the subject of speeches to-day, and editorials and other recent writings, is now in existence. It is here. Our wealth used to be composed of land and gold and silver and precious stones. In the one hundred and forty-odd years of the existence of this country we have helped change all wealth. Some men have tried to change the basis of wealth. The basis of wealth could not be changed. It is tangible. It is in existence; but we have built up what they call credit; and while there are a certain amount of gold and a certain amount of silver, different obligations are written, and we believe that a promise to pay interest and principal at a future time is wealth. It is a state of mind. It is confidence. In this Congress many of you believe that is wealth. Most of the people back home believe that is wealth. You in the Congress to-day hear talks of repudiation of all promises to pay. Not only the interest but the principal. You hear talk to-day of the amounts being cut down. It is called repudiation or discount, and other descriptive words may be used; different schemes are suggested to bring a change of the promise to pay into existence.

I never thought I would hear spoken by men in authority a challenge to the Congress to cut down the quantity of gold in the gold dollar. Let us call it demonetization of gold. It was in 1834 that the current gold coins of the United States were demonetized in part, and in 1837 the present weight and fineness were decreed by Congress for United States gold coins. They have not been changed since then.

It was in 1873 that silver was demonetized, but the proposition made here to-day, and the subject of several bills, the demonetization of gold, I never thought I would hear seriously presented, but I did hear it presented to-day. I asked the speaker while he was speaking how he was going to equalize the intrinsic value of the gold in the possession of those who had gold. I do not know the answer to that question. I have asked it of different ones, and none have told me.

Of course, if the Government is going to call back all the gold that is out—and of the \$4,500,000,000 of gold we have in the United States to-day, about \$2,000,000,000 is out—if some scheme was made to bring back to the Treasury this \$2,000,000,000 and then to reissue it, that might be done. But will it come back? I can only answer by making a prophecy, because it is all in the future, but the logical conclusion would be that the man who has the gold is not going to give it up. The situation will be just as it is in India and China where wealth is still measured by the actual metal and lands and jewels a person may have in his possession. When the value of the gold is changed down-

ward, they buy it in. When the value of the gold is changed upwards, they continue to accumulate. No matter which way the market goes they lay their wealth aside. They do it on a low market, they do it on a high market.

Mr. MCGUGIN. Mr. Chairman, will the gentleman yield? Mr. EATON of Colorado. I yield.

Mr. MCGUGIN. Assuming you reduced the gold content of the dollar one-half, would not the man who has the gold want to exchange his gold for the new dollars to receive the benefit of the appreciation?

Mr. EATON of Colorado. Of course, if he looked at it in that way, yes; but the man who has the gold, the man who has the wealth, does not look at it that way. Why? Whether he is in the United States, in England, in India, or China, gold is gold, and no legislative body in the world has changed the intrinsic value of gold. When France cut the value of the franc to 4 cents, all she did was to cut down the pocket-money value of some silver coins and other coins. The value of the gold franc has not been changed. In their international transactions, in their world-wide transactions, the gold is weighed, gold for gold, ounce for ounce, and in that way those who are busy in the dealings in exchange figure the values one against the other and continue to make their profits, but the gold continues in existence as a mass.

[Here the gavel fell.]

Mr. HOLADAY. Mr. Chairman, I yield 10 additional minutes to the gentleman from Colorado.

Mr. EATON of Colorado. There is approximately \$4,500,000,000 of gold in this country to-day.

Mr. BUSBY. Mr. Chairman, will the gentleman yield?

Mr. EATON of Colorado. I yield.

Mr. BUSBY. I may suggest to the gentleman that in 1834 Congress reduced the value of the gold dollar about 6½ per cent by legislative act. The gentleman uses as an illustration the franc and its worth in the exchange market. It is the gold weight and not the denominative weight, according to the statements of a statute enacted by the French body, which evaluates gold, which controls.

Mr. EATON of Colorado. I agree with the gentleman's statement.

Mr. BUSBY. That is true of the currencies of all countries, whether they are on the gold standard or not. The only way our dollar is evaluated by foreign countries is by the amount of gold it contains when weighed. If we cut down the weight of gold in our dollar, the foreign trader coming into America and securing our dollar would get less gold and, therefore, be able to get less of his depreciated money when he returned home with our currency and made the exchange.

Mr. EATON of Colorado. May I suggest to the gentleman that the only trouble with his statement is in his use of the phrase "less gold." When you trade a cargo of wheat for gold the gold is marked in pounds, in francs, or in dollars. A computation is made of the intrinsic value of the metal, and in the last analysis it takes the same quantity of gold, whether it is in the form of dollars, pounds, or francs, to make the trade for the cargo of wheat; and if you are in the banking business, in the exchange business, you will weigh one item of gold against the other. You would take a quantity of gold in weight, evaluate it, and then translate the dollars, or francs, or pounds into wheat. You would use exactly the same weight of gold of any country less the exchange charges. Now, that is the principle of the use of gold in barter. So when you change the quantity of gold from 23.22 grains in a dollar to something less or something more, you are then either giving the owners of the gold a value they did not have before or you are taking it away from them, but those who have the actual gold are going to keep that gold; they are going to hoard it. One of the troubles with the country is that not merely is gold being hoarded but paper currency representing it and everything that we believe has value and substance is being hoarded, hidden, and held tight, and not allowed to go out.

Until we can start the circulation going, until we can begin to make it move, this condition is going to continue.



Mr. BUSBY. May I suggest to the gentleman in this connection that nine-tenths of our circulating medium is bank checks, representing bank credits.

Mr. EATON of Colorado. Yes.

Mr. BUSBY. Having reduced the bank credits to where they have less than three-tenths of their normal efficiency, the one-tenth of the circulating medium that is in the form of currency can not perform the functions of exchange that have normally been performed by currency in the form of bank credits, and that is why wooden money and other mediums of exchange have come into being. When bank credits shrink, go into hiding, or become inactive, then the man who has the cash naturally becomes less free to spend his cash. Alluding to a statement made by the gentleman a little while ago, all the banks in the United States do not have more than \$700,000,000 of currency while they have \$16,000,000,000 of checking accounts. It would take but a very short time for those people having the \$16,000,000,000 in checking accounts and \$24,000,000,000 of time deposits to draw out the \$700,000,000 of coined and issued currency from circulation, and coined and issued currency is what you pay to them; it is not bank credits; it is not notes. So they could not draw to-day one-eighth of their checking accounts without robbing the banks of every dollar of cash, or twice as many dollars in cash as there are in all the banks. That is the trouble now.

Mr. EATON of Colorado. I thank the gentleman, and to supplement the gentleman's statement there is in circulation not several hundred million dollars but \$5,647,000,000 in and out of the banks, which is not in the possession of the United States Government right now, and with this money the business of the country is carried on.

Mr. BUSBY. May I offer the suggestion at this point that the Federal Reserve Bulletin for December says there is not more than 40 per cent of that amount, which would reduce it to \$2,000,000,000.

Mr. EATON of Colorado. The statement of the Federal reserve bulletin is, of course, just as accurate as this circulation statement of United States money from which I am reading, but this comment is at least pertinent. It may be prophetic rather than a statement of fact, but the money that is not in the possession of the United States Government, as such, is out of the Government, out of the Treasury and in the Federal reserve and other banks and in your pocket and in mine, and is the subject of circulation. How much of it is hoarded may be computed by the Federal Reserve Board and they may be able to tell you accurately that \$2,000,000,000 is hoarded and that only \$2,000,000,000 is available for circulation.

This brings me to my reason for speaking to-day. I want to say once more in this Congress that I can see the progress in the minds of those who have been studying the money question toward the use of something more in money that is recognized as money, which is a natural part of money, and as I said the first time I spoke of it, this is the use of silver dollars in our currency. I have been laughed at for continuing to harp upon this, but it is not a laughing matter.

The circulation of money is dammed. It is stopped and something has got to break this dam. By the organization of the reconstruction finance scheme it was sought to increase circulation, and this caused some circulation, but all it did was to circulate what it had and this did not begin to break down the dam, and I submit to you that the dam has not yet been broken. What I am trying to get in your minds, and I do not care whether you believe it to-day or not, because if you do not believe it to-day you will believe it to-morrow—when you take the available silver of this country, just as you take the available gold of this country and monopolize it for this country, for its money purposes and do not let it get away, and create our own wealth and have the people use it as our own wealth, then you will begin to erode this dam a little bit, and pretty soon natural circulation will result and, perhaps, in two years or four years we will get back to somewhere near normal; but until you use your production of silver, a natural money metal, you have not anything else to use that people will recognize and believe in as a money metal.

Silver is a complement of gold. Its purpose is parallel to if not an extension of gold for money purposes. It has weight, it has value, and it is recognized not alone by our people but by the people of all the world as a money metal.

Mr. CAMPBELL of Iowa and Mr. MAY rose.

Mr. EATON of Colorado. Before I yield for another question I want to say that the debasement of gold proposed to-day ought to be considered by you gentlemen in connection with the debasement of silver in the European countries during the last decade that began to bring about a reduction in the price of commodity silver. Commodity silver has its function. It has its place and it has its price. This country may just as well say that our silver and our gold are our money. We can even go as far as to monopolize it and say you may not use silver for all purposes or for certain purposes and that it shall only be used for money. When you do this you do not violate the views of any collector of wealth in any country of the world, no matter how civilized or uncivilized. You are following the natural function of these two metals that has been followed for more than 4,000 years.

I yield now to the gentleman from Iowa.

Mr. CAMPBELL of Iowa. The question has been asked here of several of the speakers, Where is the gold? I think the gentleman has a record here of the amount of gold that is held in reserve by the Federal reserve system and I think if you will take the amount of gold in the Federal reserve system and the amount owed by the Treasury itself, you can tell where a large percentage of the gold is to-day. If the gentleman has that record, will he please put it in his remarks?

Mr. EATON of Colorado. The circulation statement which I have with me to-day is of November 30, 1932. It is prepared monthly by the Treasury Department. I could not get the one for January 31, 1933; it is not yet ready, and I did not notice that this was the November statement until this moment. Suffice it to say that there is little difference. For example, by inquiry to-day of the director of the division of research and statistics of the Federal Reserve Board, I am informed that the total amount of gold in round figures of February 8, 1933, was \$4,535,000,000, while this statement shows \$4,339,545,395. The total gold held in the Treasury on the same date was, in round figures, \$3,303,000,000, instead of the \$3,073,316,291 shown in the statement as of November 30, 1932. This makes the total money outside the Treasury practically the same amount then and now. I will give the statement to the reporter to have printed at the end of my remarks.

Mr. Chairman, during the hearings of the past few weeks before the Committee on Coinage, Weights, and Measures, practically all the existing facts and opinions have been again presented on the subject of silver. It is only necessary for those who have the wisdom to arrange the facts and draw therefrom the logical conclusions. Until that is done, there will always be a "silver" question.

Therefore, I have not gone over the whole field, but have confined my remarks to one feature only, namely, the actual use of silver money in the United States. On January 5, 1932, I directed the attention of this House to the subject and stated "that one correction in the present monetary crisis to be made is the use of actual metal silver dollars as money of the United States instead of the paper substitute."

Since that date, I have had a voluminous correspondence from people all over the country from which these facts stand forth:

First. Bank tellers do not like to handle the silver dollars.

Second. Most cashiers and money handlers of mercantile institutions do not like to handle silver dollars.

Third. Many individuals in the East resist taking silver dollars as money.

Fourth. An incredible number of people have never seen a silver dollar.

I also stated:

I am trying to point out that the battle is between those who now have possession of the gold, the notes, and the bonds, and those who have not. They have designated the amount of credit thereon, and with every turn of the financial wheel they exact and pyramid more interest.

I submit that in so far as the United States Government is concerned that when we begin to get the interest charge cut down will be the first day for the beginning of the substantial upturn in business and commodity prices.

Most of what has been said and published as a means of overcoming the depression seems to suggest that the only way money can be put into circulation is to borrow and keep on borrowing. Nothing is said about payment. The only other subject is how to increase taxes. The trouble with us and with the whole world is that we want to keep on borrowing and merely continue the discussion of the date of our own payment.

We are not paying. We are not economizing. We are merely increasing our obligations and promising to pay more usury for the privilege.

That statement was true then. It is true now. When the United States demonetized silver what it did was to stop the coinage of silver dollars. When coinage was resumed, it was also provided that the silver should not be used as pocket money by the simple device of issuing paper dollar bills therefor and causing the silver dollars to be stored in the Treasury of the United States. The result is that practically half a billion dollars is so stored, takes up a lot of room, and, if I may use the hackneyed adjective "psychological," I will say that the psychological effect of the storing in the Treasury and banks has been to cause those to whom we have been accustomed to look for our money advice to tell us there is already too much silver. I will say to you that if that silver were put into circulation in place of half or some other part of the paper bills, under the present circumstances there would be an insistent demand for the coinage and circulation of more silver to replace that which is in storage.

I have been told that the Director of the Mint is not willing to recommend the distribution of silver dollars for use in actual circulation as pocket money on account of an experiment made by him some time ago. It appears that he ordered silver dollars to be paid out in coin on certain weekly payments for all dollar amounts less than five, and continued the experiment for several weeks; that the bank reports showed that most of the silver dollars were back in the banks by Thursday of the following week, and for that reason he believes that the people do not want to use them. If I were to make a suggestion to him—and he is one of the most efficient and best informed men in the Government in charge of a department—I would state that the period of time used for the experiment was not long enough; that the return to the banks of the coins was the natural result of circulation, and if it were possible to conduct a similar experiment with dollar bills that the same result would have been reported by the banks. When an individual receives change for a \$5 paper bill, the pocket money so received is

spent in various amounts until it is all gone and another bill changed to provide the same money facility. If silver dollars are to be recognized as an actual part of our daily trading, they must be kept in circulation. Bank tellers and cashiers of business houses will pass them back and forth as other money is exchanged, and the use of silver dollars will loosen the hoard now in the vaults of the United States Treasury and the banks. Circulation having been started again, then the other incidents to the use of silver dollars will follow and the psychological effect of the quantities on hand will be changed; a demand for more silver dollars for use in the ordinary daily transactions will be naturally created, and circulation continue.

May I remind you of the history of the use of silver dollars in the United States. From the year of the first United States coinage of silver dollars, 1793, up to the year 1932, the Government had coined 848,586,596 silver dollars, and in 1932 there appeared to be only 540,007,911 accounted for by the Treasury. What has become of the \$308,578,685? No one in authority gives a sufficient answer. You may call it profit to the Government. You may say that that \$300,000,000 was melted up and put into the silver products. Or you may say they have been abstracted from our currency by China and India and hoarded. Or perhaps you have your own individual guess.

No matter what your opinion may be, the fact is that of the total coinage, \$300,000,000 in silver dollars has been coined, the Government has issued them and received full value therefor, and they have never returned. Call it for want of a better phrase, the consumptive use of \$800,000,000 in silver dollars during a period of 138 years. If we divide the shortage by 138, we find that the annual consumptive use of silver dollars in our currency is approximately two and a quarter million dollars per year.

By the failure to continue the use of that type of money, the consumptive use has been relatively stopped, but the production of silver has continued.

In conclusion, I believe that the committee will report a bill authorizing the coinage of silver dollars from the present production of the United States. If you and I, by legislative action or otherwise, can also obtain the actual circulation of this new money, as well as the silver now in the vaults, we will begin the little stream of circulation which will start a disintegration of the dam which has stopped, not money circulation alone, but circulation of its auxiliary credit, and once the flow commences the natural result will be a start toward the return of normal conditions.

[Here the gavel fell.]

Circulation statement of United States money, November 30, 1932

Kind of money	Total amount	Money held in the Treasury					Money outside of the Treasury				Population of continental United States (estimated)
		Total	Amount held in trust against gold and silver certificates (and Treasury notes of 1890)	Reserve against United States notes (and Treasury notes of 1890)	Held for Federal reserve banks and agents	All other money	Total	Held by Federal reserve banks and agents <sup>1</sup>	In circulation <sup>2</sup>		
									Amount	Per capita	
Gold coin and bullion.....	\$4,339,545,395	\$3,073,316,291	\$1,335,604,829	\$156,039,088	\$1,496,969,467	\$84,702,907	\$1,266,229,104	\$811,777,795	\$454,451,309	\$3.63	
Gold certificates.....	<sup>3</sup> (1,335,604,829)						1,335,604,829	700,528,410	635,076,419	5.08	
Standard silver dollars.....	540,007,911	501,285,696	492,553,450			8,732,246	38,722,215	9,334,903	29,387,312	2.44	
Silver certificates.....	<sup>4</sup> (491,336,050)						491,336,050	130,675,750	360,660,300	2.88	
Treasury notes of 1890.....	<sup>4</sup> (1,217,400)						1,217,400		1,217,400	.01	
Subsidiary silver.....	306,671,409	12,685,221				12,685,221	293,986,188	35,620,296	258,365,892	2.06	
Minor coin.....	126,572,987	5,161,458				5,161,458	121,411,529	7,995,072	113,416,457	.91	
United States notes.....	346,681,016	2,850,311				2,850,311	343,821,705	52,626,075	291,195,630	2.33	
Federal-reserve notes.....	2,913,682,115	5,295,360				5,295,360	2,908,386,755	233,651,783	2,674,734,972	21.87	
Federal-reserve bank notes.....	2,694,012	25,744				25,744	2,668,268		2,668,268	.02	
National-bank notes.....	875,880,908	16,030,345				16,030,345	850,850,563	33,454,706	826,395,857	6.60	
Total, Nov. 30, 1932.....	9,451,735,753	3,616,659,426	1,828,158,279	156,039,088	1,496,969,467	<sup>5</sup> 135,492,592	7,663,234,606	2,015,684,790	5,647,569,816	45.13	125,135,000

<sup>1</sup> Includes money held by the Cuban agency of the Federal Reserve Bank of Atlanta.

<sup>2</sup> The money in circulation includes any paper currency held outside the continental limits of the United States.

<sup>3</sup> Does not include gold bullion or foreign coin other than that held by the Treasury, Federal reserve banks, and Federal reserve agents. Gold held by Federal reserve banks under earmark for foreign account is excluded, and gold held abroad for Federal reserve banks is included.

<sup>4</sup> These amounts are not included in the total since the money held in trust against gold and silver certificates and Treasury notes of 1890 is included under gold coin and bullion and standard silver dollars, respectively.

<sup>5</sup> The amount of money held in trust against gold and silver certificates and Treasury notes of 1890 should be deducted from this total before combining it with total money outside of the Treasury to arrive at the stock of money in the United States.

<sup>6</sup> This total includes \$39,825,496 gold deposited for the redemption of Federal reserve notes (\$1,194,210 in process of redemption), \$36,714,651 lawful money deposited for the redemption of national-bank notes (\$15,986,387 in process of redemption, including notes chargeable to the retirement fund), \$1,350 lawful money deposited for the retirement of additional circulation (act of May 30, 1908), and \$23,036,077 lawful money deposited as a reserve for postal savings deposits.



Mr. EATON of Colorado. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD and to include therein certain citations.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. CANNON. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. GRIFFIN].

Mr. GRIFFIN. Mr. Chairman, I rise to clarify the record. This afternoon my esteemed colleague from Texas made a very interesting speech in which he analyzed the salaries and the work of various employees.

In the course of his remarks he made allusion to one of the finest, ablest, and best men we have in the employ of the Government. I have the highest respect for my colleague; he is earnest, sincere, and enthusiastic, but, as often happens where a man is enthusiastic, he may sometimes say things that are capable of misconstruction. Personally, he assures me that he had no intention of reflecting on this officer of the Government, but I think we can make the record clear if I refer specifically to this man—who he is, what he is, and what he has been doing and the degree to which he is entitled to our respect.

It is Theodore L. Cogswell, the register of wills, a man who has served the Government 20 years, and raised himself practically from boyhood to this important office in the District.

In 1917, when came the call to arms, he went to the other side and served a year and a half, was wounded in battle so severely, in fact, that he was hospitalized for over 12 months. He received the distinguished-service cross and two citations for bravery in action.

I will give the official citation:

Theodore L. Cogswell, first lieutenant, Three hundred and nineteenth Infantry, Eightieth Division, American Expeditionary Forces, received the distinguished-service cross for extraordinary heroism in action with the enemy at Landres-et-St. Georges, France, November 1, 1918. In the advance of that day his company was halted by intense machine-gun fire while passing through the barbed-wire entanglements. In the face of this fire Lieutenant Cogswell voluntarily crawled down a slope in front of the enemy's position and, in full view thereof, discovered a sunken road at the foot of the slope, crawled back to his company, and led them to the advanced position. Immediately upon reaching the new position he again voluntarily sought a favorable forward position for his command, crawling a distance of 75 yards toward the enemy, during which exploit he was seriously wounded. The outstanding bravery and devotion to duty of Lieutenant Cogswell served to incite the men of his company to heroic endeavors, enabling them to assist in the capture of Landres-et-St. Georges, together with 209 prisoners, 9 field pieces, and 15 machine guns.

This brave soldier is an emergency officer under the laws which we have enacted. He is entitled to the pay of an emergency officer, and I fear my colleague gave the impression that he was drawing such pay. I want to make it clear to my colleagues that he is not drawing such pay as an emergency officer but only his pay as register of wills.

Mr. HOLADAY. Will the gentleman yield?

Mr. GRIFFIN. I yield.

Mr. HOLADAY. I would like to add that his office is now collecting almost \$100,000 a year. While there has been such an increase in the receipts of the office, the cost of the operation of the office has not increased in proportion to the receipts of the office, indicating that he is giving a very good administration.

Mr. GRIFFIN. I thank the gentleman. It shows the efficiency of this man, that he is as efficient in civil life as he was in war. [Applause.]

[Here the gavel fell.]

Mr. CANNON. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. THOMASON].

Mr. THOMASON. I think there is no greater or more reliable newspaper in all the land than the Dallas News, and I have clipped from to-day's front page of that paper the following, which I shall read:

MEXICAN BANDITS MAKE NIGHT RAID ON BORDER RANCH—FOURTH INCURSION SINCE REMOVAL OF TROOPS AT MARFA IS REPORTED

MARFA, TEX., February 9.—Texas Rangers and a sheriff's posse left here Thursday to investigate a raid by Mexican border bandits made Wednesday night on the Jake Baldwin ranch, 14 miles south of Presidio.

The raid was the fourth since United States cavalrymen were withdrawn from Fort D. A. Russell here early in January. Rumors were persistent along the border that bandits are concentrating for a foray on the Terlingua quicksilver mine.

Five raiders were in the band which crossed the Rio Grande from Mexico, held occupants of the Baldwin house at guns' point, looted the house, and robbed the men. When the bandits started to loot the commissary they became frightened and fled back across the river.

This newspaper report may be exaggerated; I do not know; but I do claim that I know the fear that American citizens along that long stretch of border feel about this matter.

Mr. DICKSTEIN. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. Yes.

Mr. DICKSTEIN. Is it not also true that a number of men on the border patrol have been given furloughs and that they have to alternate with one another?

Mr. THOMASON. That is my understanding. In addition to that, there are only about 60 Texas Rangers in all Texas.

I still contend that the removal of those troops from the Mexican border was absolutely unwarranted, and I am becoming more and more convinced every day that it was done in a spirit of spite and was prompted very largely by politics. Fort Clark at Brackettville, Fort McIntyre at Laredo, and Fort Brown at Brownsville, all on the Mexican border, were on the original list for abandonment. In the final wind-up, through some unknown influence, Fort Russell was the only one abandoned. Here is a long stretch of border, from El Paso east for 500 miles, the river meandering along the so-called Big Bend country, that has had these raids for years; but now, according to the Dallas News, they have had four of them in the last 40 days. I repeat what I have said several times before. If soldiers are needed anywhere, it is along the Mexican border.

Whether the raids have been large or small, whether they have been exaggerated or not, I hope this does not mean that worse trouble is to come to American citizens along that long line of the Rio Grande. Frankly, I fear trouble if troops are not sent back there. After Fort Russell was established there were no more raids until the post was abandoned. Those soldiers were a stabilizing influence along that whole border line of Texas. I hope my people will not suffer as did those at Columbus, N. Mex., after the Villa raid. Those soldiers ought to be sent back there. It is just as I predicted. This story may be exaggerated but I do know how those people feel about it. They are entitled to protection, and I hope justice will yet be done about the matter. [Applause.]

Mr. CANNON. Mr. Chairman, I yield to the gentleman from Georgia [Mr. LANKFORD].

Mr. LANKFORD of Georgia. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD on the question of the inflation of the currency, and to include an article written by the late Senator Watson, of Georgia, on the subject.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia [Mr. LANKFORD]?

There was no objection.

Mr. LANKFORD of Georgia. Mr. Chairman, during these awful times, when everyone should be endeavoring to find the cause of the depression and endeavoring to find a way of escape from its devastating effects in order that our people might live, I thought it proper to see what was said about our monetary system by men who have given special study to this question and who expressed their views long before the present depression. I was anxious to see how those views as to the advantages and dangers of the system coincide with the views of many of us who believe that the present monetary system is largely to blame for the depression and that there can be no return of real prosperity until the control of the issuance of our currency is taken from the bankers and exercised by Congress or some fair and impartial agency acting for Congress and disconnected with the big banking interest and using a much broader currency base.

Knowing that the late Senator Thomas E. Watson, of Georgia, was an untiring student of this subject, I took occa-



sion to look up some of the things he said about money and its deflation and inflation, nearly two decades ago, and found that his writings on this subject are most prophetic of the very condition we now have, and that he believed that the proper cure for such a condition can only be effected by a properly controlled inflation of the currency. I wish that every student of this important subject would read all his writings on the subject of money.

Under unanimous consent of the committee, I am glad to extend in the *RECORD* an article on the subject of money, written by Senator Watson before the World War, as follows:

Mankind travels slowly from one stage of evolution to another, and nobody knows how long it was before the crude exchange of one commodity for another was discarded, in order that some common measure of value should be substituted and thus obviate the necessity of taking the commodity from one country to another, in many cases involving a long journey through the deserts and over mountains, in other cases involving long and dangerous voyages on deep seas.

In the Old Testament we read of Abraham buying the field of Macpelah, and weighing out the silver that paid for it—silver being, as the Bible says, "the money of the merchant." It was not coined; it bore no stamp; it was simply sold by weight, as we would now sell cotton or butter, or any other of the necessities of life which are offered to us in the market.

The only places in the Bible, so far as I can recall, where mention is made of coin, are when Christ pays his tribute to Caesar, and when he assaults and strikes the money changers who were plying their trade in the temple.

Aristotle, the greatest of all the thinkers of ancient times, stated, in his masterly work on government, that money was not the creation of God or of nature, but was something which the state had agreed upon to take the place of barter and exchange, and to act as a universal measure of value. In other words, Aristotle laid down the doctrine that the sovereign power to create money was inherent in the state, or was a matter of convention among the people of any particular society.

Lycurgus, the Spartan legislator, forbade the incoming of gold and silver; he restricted the coinage to iron, his purpose being that no man should accumulate too much money. He knew that iron was so heavy that no one would be tempted to heap it up, to hoard it, and to keep it out of circulation. This simple system was the basis of the great power of Sparta; and it was not until ages afterwards that a king by the name of Aegias changed this law and allowed gold and silver to come into the country. After that began the reign of luxury and self-indulgence, of indolent pleasure, of effeminacy, of elegant vices, and these finally brought about the downfall of Sparta.

In the annals of great statesmen, the name of Solon will always shine as a star of the first magnitude, and it was Solon who relieved the debtor class in Athens by expanding the currency.

By doing this, he made it much easier for the debtors to pay their creditors, and these creditors were not at all hurt, because with the money in which they had been paid they could buy relatively as much as they could have done before.

Solon proudly said: "I found my country a slave, and I left it free."

He found the finance in the control of the few. These greedy seekers of gain had so fixed the laws that, in the race of life, the poor man had no chance against the rich. The laws all favored the creditor class. The debtor class was kept under the wheels. The situation had become so bad that a revolution was about to break out.

The masses of the people will endure a great deal—are wonderfully patient under tyranny and robbery when the tyrant and the robber can give to his crimes the sanction of a written statute.

But there is a limit. Man is an animal after all, and when driven too far, he breaks through the shell which civilization has molded round him and he becomes again the fierce brute he used to be, when he lived in the woods and ate raw meat.

At Athens, the creditor class had almost got to the dead line.

Solon with one sweep of his pen relieved the tension and saved his country.

How?

By cheapening money.

The historian says he depreciated the currency.

What he did was this: He found that the existing supply of money had been gathered into the hands of the few. Therefore, money was hard to get. Therefore, the demand for money was constantly increased. Therefore, the price of money constantly rose. Therefore, debts were harder to pay at maturity than they had been when contracted. The poor debtor had to buy money to pay his debts with; and the amount of labor or of property required to buy enough money to pay the debts grew greater and greater all the time.

This was unjust. Solon expanded the currency; that is, he increased the supply of money. In the language of to-day, money sharks had "cornered" the market, and Solon smashed the "corner."

He also lowered the rate of interest on loans, and abolished imprisonment for debt. The result of these reforms was most

happy. Debtors found that more money meant cheaper money, and were thus saved from ruin; whereas the creditors lost nothing but an unfair advantage which they had been harshly using to oppress their fellow men.

The money system of Athens was established by Solon. The coins were the drachma, worth about 15 cents in our money; the mina, one hundred times as much, or \$15; and the talent, \$900. The obolus was worth about 2½ cents.

According to the German scholar Boeckh, the purchasing power of Grecian money in ancient times was three times greater than it is now. Others contend that it was ten times greater.

Both gold and silver were coined, the ratio varying from 10 to 1 to 14 to 1, according to the difference in time and place.

In Dr. J. P. Mahaffy's *Survey of Grecian Civilization* we find a statement which seems to show that in addition to gold and silver coin there was a species of fiat money used.

Says the learned Doctor Mahaffy:

"The practice of the Phœnicians was to seal up small bags, professing to have within them a certain sum which was stamped on the outside with the seal of the State. Though it was notorious that the coin was not there, such a bag, so long as it carried the seal guaranteeing its value in exchange, passed as actual money."

Hence it appears that the Greeks and Phœnicians used a currency based upon Government fiat. The credit system was in its infancy at Athens, and therefore they knew nothing of financial panics. There were no booms and no crashes, no bulls and no bears, no shearers and no lambs, no flotation of watered stocks and no organization of thievery such as we see in our stock exchanges.

The Romans used copper as their money for hundreds of years. When they overcame the Samnites, the war indemnity was paid in millions of pounds of copper. It was not until Julius Caesar established the imperialism which yet bears his name that gold coin was introduced. Gold is preeminently the money of imperialism. It was so then, and it is so now.

Let me remind you of the Bank of Venice, established in the twelfth century, when the Venetian Republic held possession of the principal trade routes to the east, and when her ships of commerce dotted almost every sea. It became inconvenient for her to deal in metallic money, because her trade was so vast that her outgoing vessels, reaching for eastern markets, would have been almost laden down with gold or silver, or both.

To meet this need of her ocean-going commerce she established the Bank of Venice, in which merchants could deposit their coin and could take a certificate of deposit. These certificates could be transferred as you would indorse a check or a promissory note, and these transfers would be noted on the books of the bank just as you would now have transfers of bank stock noted on the books of a bank.

By the use of this simple method all of the physical trouble of handling great sums of silver and gold was eliminated, and the certificates of credit were accepted as so much cash throughout the mercantile world.

It came to pass that men preferred these slips of paper to the possession of the gold and silver; and for hundreds of years no gold or silver was used in the mercantile transactions of the Venetian Republic.

It was not until 1798 that the bank went out of existence, and it only did so in the downfall of the Republic itself, during Napoleon's great campaign in Italy. It had financed the Crusades; it had financed some of the greatest campaigns of the Roman Empire; it had stood the test of every foreign storm and every domestic convulsion; it lived as long as its country lived, and it died only when the independence of its country perished.

During the chaotic centuries which we now call the Dark or the Middle Ages, each great feudal lord arrogated to himself the right to make war upon other feudal lords and the right to make peace when he saw fit.

In those ages were built great stone fortresses upon the highest accessible ground, and those feudal castles are yet to be seen (in their ruins, at least) throughout England and continental Europe.

Each lord had his army, each lord had his system of taxation, each lord had his serfs, each lord controlled the markets, each lord coined the money that circulated throughout his domains. It was a time when there was scarcely any such thing as personal rights for a man or a woman who did not belong to the nobility.

The very first step that was taken towards centralization, both in England and on the Continent, was to take away from the feudal lords the right to maintain troops, the right to administer justice (the high, the middle, and the low), the right to wage private war, the right to fix prices, and the right to coin money. In England this great work of consolidation was done by William the Conqueror; in France it was done by Richelieu.

Let us speak of England, since that is our mother country, and our institutions are based upon hers. After William the Conqueror had subdued the feudal lords and established a universal authority throughout the realm it was the King who made the laws, who made the wars, and who coined the money.

No private citizen was allowed to coin money any more than he was allowed to declare war or to maintain troops. It was not until Charles II had come back to the throne, which his father had lost during the Cromwellian days, that the King allowed private citizens to exercise the sovereign function of creating money.

One of the scarlet women who thronged around the dissolute Stuart King was named Barbara Villiers, and she was bribed by the goldsmiths of London—the money lenders of that day—to



wheedle her royal lover into signing an act which gave to them the right to coin money for use in Hindustan.

The act of 1666, which gave these London bankers the right to coin money for use in India, carried on its face the evidence that a very bad woman was used to persuade a very bad king into granting this very bad concession to a lot of very bad men.

From the use of this special privilege in India the London money changers soon saw the vast power which it bestowed upon them, and therefore the coinage of money for the use of the East India Co. soon came back to the homeland, and the practice was incorporated and perpetuated when a canny Scotchman induced the Government to establish the Bank of England.

In this country the money power was first enthroned by Alexander Hamilton, who in 1791 convinced President Washington that a national bank was necessary to fiscal operations of the Federal Government. Mr. Jefferson and Mr. Randolph strongly opposed Mr. Hamilton, but President Washington took the side of Hamilton, as he usually did.

This first national Bank of America expired, by limitation of its charter, in 1811. In 1816 another bank was chartered, because the War of 1812, which did not end until 1815, had changed the mind of Mr. Madison, and caused him to think that a national bank was a national necessity. He therefore signed the act creating this second national bank, which was to run for 20 years.

When Andrew Jackson became President he soon found fault with the way in which Nicholas Biddle was managing the bank, and he called the attention of Congress to it in his annual message.

Mr. Clay and Mr. Webster took sides with the bank, but Mr. Thomas H. Benton, the Senator from Missouri, took sides with Jackson. The fight was long and bitter, but in the end Jackson was triumphant.

The bank had offered to pay off the national debt for a renewal of its charter, but Jackson was determined to crush it, and he did. The bank used every sort of intimidation, bribery, and corruption to turn the country against the President, but his popularity was so great that it overrode all obstacles.

After this second national bank was put out of commission we had no more national banks until 1864, when President Lincoln approved the national bank system now in operation through successive renewals of charter.

In the early days of the reign of Queen Victoria there came on to be heard before her Lord Chancellor a very unusual case.

The Emperor of Austria had brought process against Louis Kossuth, the Hungarian patriot, to restrain him from issuing certain bits of paper which he had caused to be printed in England for the purpose of circulation in Hungary.

Translated into our language, the wording of these strips of paper was as follows:

"One florin. This monetary note will be received in every Hungarian state and public pay office as 1 florin in silver. Its nominal value is guaranteed by the state. In the name of the nation."

"KOSSUTH, LOUIS."

It was shown that more than 100,000,000 of these florin notes had been prepared and were intended to be used in Hungary as money.

The Emperor contended that "the introduction of said notes into Hungary will create a spurious circulation and thereby cause great detriment to the state and to the subjects of the plaintiff."

It further appeared in evidence that the Emperor had surrendered to the National Bank of Austria the privilege of supplying the Empire with paper money, and doubtless this bank was the instigator of the bill in equity brought against Kossuth. The National Bank of Austria had the same feeling against Kossuth that our Whisky Trust has against the moonshiner. In each case the name and power and money of the Government is used by a monopoly to stamp out competition.

In delivering his opinion, the Lord Chancellor uttered this truism: "The right of issuing notes for the payment of money, as a part of the circulating medium in Hungary seems to follow from the right to create money belonging to the supreme power in every state. This right is not confined to the issue of portions of the precious metals of intrinsic value according to their weight and fineness, but under it portions of the coarser metals, or of other substances, may be made to represent varying amounts in gold and silver, for which they may pass current."

Kossuth was enjoined from issuing the notes upon the sole ground that he was an exile in England with no de facto authority in Hungary. He, himself, had admitted that the Emperor Francis Joseph reigned over Hungary, and was in fact its Emperor. For this reason the Chancellor held, properly, that the Emperor alone had the right to supply Hungary with notes to be used as money.

In the history of the world there never was a period when a strong, orderly government allowed a subject to coin money. The state invariably held on to this mighty lever as one of the indispensable prerogatives of sovereign power. To make laws, to appoint public functionaries, to levy taxes, to control navigable streams, to police the public highways, to control the army and navy, to hold the national purse and sword, to negotiate treaties with other nations, to regulate foreign commerce, to establish courts, to declare war or make peace, and to create money, were among the universal, inseparable attributes of royalty.

When the state was weak, powerful vassals waged private war, robbers infested the highways, pirates roamed the seas, and private citizens created money. When the state recovered its strength it invariably swept the pirate off the sea, the lord, and took back with stern admonitions the exclusive right to create money.

Historians, writing of the Dark Ages, never fail to tell us how the anarchy of the times revealed itself in the disintegration of

sovereign power. Private citizens encroached upon the state; the lords usurped the prerogatives of the king; the security of the rights of the individual disappeared. Each man held what he or his order was strong enough to hold, and no more. Even in the Middle Ages it required all the resolute courage of the strongest kings to redeem the sovereign prerogative which the feudal lords had arrogantly usurped.

As chaos gave way to systematic government the state was seen to have reconquered the sovereign attributes which the haughty nobles had usurped, and thereafter no lord had courts of his own, dungeons of his own, gibbets of his own, warfare of his own, or money coinage of his own. The king's law, the king's courts, the king's money, were supreme and exclusive.

Was gold usable as money before the king placed his stamp upon it and declared by law that a certain amount of gold thus stamped should be a guinea? Did God make pounds, shillings, and pence, or did the king do it? Was silver usable as money until similarly favored by the law and the royal stamp? Could one take a silver cup and go into the market and pass it about as money? Could the king himself take gold plate off his table and go into the market and circulate the gold plate as money?

Before the passage of the law making the stamped gold legal tender money does not exist. The law and the stamp make the money out of the gold. God made the pine trees but the sawmill makes the lumber. God made the chicken, but the cook makes the fricassee. God made the swine, but man made the sausage.

Ricardo declared that the universal adoption of gold and silver as money metals had been an immense benefit to the world for they drove out such clumsy currency as the wooden stick of England ("tally rod" of the British Exchequer), the tobacco of Maryland and Virginia, the peltries of the Western States, wampum of New England, leather of France and Spain, bark in China, lead of Burma, etc., but he said that the time had come when a still greater benefit to the world would result from the abandonment of metallic money, altogether, and the adoption of a scientific paper currency.

Upon this all independent thinkers who understand the subject have long been agreed. Those who really know how completely the Money Trust dominates the world and how that remorseless tyranny is based upon metallic money can not but denounce with "divine indignation" the horrible greed of the comparatively few money changers who use the coin fetish to hypnotize and plunder the nations of earth. When gold threatens to be plentiful (as was the case after the discoveries in California) the money changer loses his affection for gold and pays his court to silver; when silver becomes too common and gold scarce silver loses favor and gold is again the money king's favorite.

Why does the Money Trust want to limit the supply of real money? For the same reason that any other trust wants to limit the supply. The bankers seek control, and the smaller the volume of real money the more easily they can control it. If the bankers control the money, they rule. Even the Emperor of Germany, with all of his imperious arbitrariness, would never dare to go to war until he had consulted the Rothschilds, Bleichroders, and other monarchs of the realm of money. This tyranny of the banker is world-wide. Come war or peace, come famine and pestilence, come seven fat years or seven lean years, the banker rules, and he does it with "coin." He first chains the nations to the word "coin," then he gets his grip on the supply of "coin"; thus he holds the chain which fetters the globe.

How simple it would be to shatter the chain and escape this odious servitude by precisely what Louis Kossuth proposed to do for Hungary. By the exercise of that right which the Chancellor of Great Britain declared to be a part of the supreme power of every state a scientific system of paper currency could be created, based on the strength of the state, answering the needs of every citizen of the state, and absolutely independent of the bankers. To smash the Money Trust, whose monstrous rapacity preys upon every nation, it is but necessary that the state shall assert its inherent power to create its own currency. A dollar, whether in metal or paper, should be inscribed, "This is a dollar." That declaration and the law which makes the dollar a legal tender for debts are sufficient. There should be simply the sovereign mandate, "This is a dollar." Absolutely nothing more is necessary to make that currency as good and as strong as the government which creates it.

All governments, being composed of human beings, may perish. Of course, when the government is overturned its currency is lost. But that is true of its bonds also.

The editors of our daily papers are dreadfully uneasy lest the small notes issued by the Government should go the way of Confederate money. But why are they not nervous about the bonds?

If the Union should go to pieces, as the Southern Confederacy did, the bonds would fare no better than the notes.

The East India Co., acting through the King's mistress, decoyed Charles II into sanctioning a scheme which gave to the company and to the goldsmith class control over the royal mint. The law by which this was done is known as the mint act of 1666, and the bribe to the Villiers woman is named in the act. The joker clause of this act was so framed that the goldsmith class and the East India Co. obtained almost absolute control of the supply of money. Moreover, these same intriguers secured a fourth charter for the East India Co. in 1677, which authorized the corporation to coin in India with its own stamp gold, silver, copper, and lead.

The Constitution of the United States expressly invests the Federal Government with every sovereign prerogative necessary to its performance of those functions for which it was created. To



make peace and war, to collect and disburse taxes, to control national and foreign commerce, to make laws and enforce them, to create offices and fill them, to control the Army and Navy, to create money are among the necessary sovereign powers conferred upon the General Government. To surrender any one of these royal prerogatives in whole or in part is to maim the Government. Who would not protest if it was proposed to delegate to private individuals or corporations the power to control the Army, or the navigable waters, or to operate our postal system? Yet in abdicating in favor of 6,000 national banks the sovereign prerogative of creating money, the Government has surrendered a power infinitely more precious than that of regulating foreign commerce.

The very lifeblood of the commercial and industrial world is money; the artificial creation by which we have agreed to take the measure of value of all commodities in exchange. And we have surrendered to a rapacious 6,000 the terribly dangerous power of saying how much lifeblood shall flow into the veins of the body politic!

With their unconstitutional and calamitous gold standard, their absorption of all the surplus cash of the National Treasury, and their usurpation of the right to stamp their own notes as money, the 6,000 national bankers have as complete a trust as the Standard Oil or the Steel Trust.

What a shameful spectacle, that of a government of 95,000,000 people chained to a fetish by a handful of Wall Street rascals! Oh, for one year of Andrew Jackson, to smite these infamous scoundrels and to assert the power of the Government!

Listen to the Supreme Court of the United States (39 Barb. 427), announcing its decision in *Hague v. Powers*:

"Money is the medium of exchange—the standard or representative of all commercial values. It is that which men receive in exchange and in satisfaction of labor and its various products; and whether it is intrinsically valuable or otherwise, it is the standard of value by which alone they are all measured. Gold and silver are not naturally money, any more than any other metal product or fabric. They are made so by law only.

"These metals become money by the force and operation of law alone.

"The power [to create paper money] is clearly one of the attributes of governmental sovereignty and may be exercised wherever it is deemed necessary or proper by the sovereign power."

Thus the highest court of the United States has done, as the highest court of Great Britain did—made a clear statement of a fact that is as old as government itself, and which was never disputed until the money-changers, using the libertine king's harlot as their tool, took possession of the irresistible and sovereign power to control the money supply of the world.

Mr. LANKFORD of Georgia. Mr. Chairman, in looking over some files of the *Columbia Sentinel* (Senator WATSON's paper) I found where the Senator completed an editorial in the issue of February 13, 1922—11 years ago yesterday—by saying:

It is the same old national bank principle which was fought by Benton, by Jackson, and by Jefferson, and no mere jumble of words can long hide the facts.

The power vested in the seven members of the Federal Reserve Board here in Washington is the despotic power of life and death over every bank and business in these United States, and the horrible sufferings through which our people have gone for the last year or more, are due to W. P. G. Harding, Governor of the Federal Reserve Board.

He has retired from circulation nearly \$1,800,000,000 of the money which was stimulating enterprise throughout the Union. The only way to restore prosperity is to put that money back in circulation.

Mr. CANNON. Mr. Chairman, I yield 20 minutes to the gentleman from New York [Mr. BOYLAN].

Mr. BOYLAN. Mr. Chairman, I rise to speak about a matter that is, to my mind, of transcendent importance to us. It is something that does not affect the valuation of the gold dollar, nor is it again a tax matter, but it is something that affects our very life and limb.

Like all of you, I use the taxicabs and the street cars of the District of Columbia. Conditions have reached such a stage that every time you use a taxicab, you do it at the peril of your life. Coming up from the Union Station a week or so ago, only that we landed on the front stoop of a dwelling house, we would have been in a serious collision. There is absolutely no regulation in the District of the taxicabs. You who have known me during the time I have served here know that I have always taken the side of the underdog and tried to help those who needed help, tried to help those without friends and without influence, but I do say it is necessary for our own preservation and for the safety of life and limb that we have some regulation of taxicabs in the District of Columbia.

There is a provision in this bill which precludes the Public Utilities Commission from using any money for the

installation of meters in taxicabs operating within the District of Columbia. The commission has stated it can not exercise their authority in the regulation of these vehicles unless it can compel them to install meters and to prescribe the hours of labor of the drivers.

The condition has come to this pass: A large percentage of the taxicabs in the District of Columbia are ostensibly purchased but really rented from the big companies and owners of cabs. There is no way the owner can rent out a cab and keep track of the mileage without a meter. So how do they do it? A driver goes to one of these companies and they will sell him a cab and give him a conditional bill of sale at the rate of \$2.50 or \$3 a day. He has the use of the cab and must furnish the gas and oil and keep the car running. On account of this conditional bill of sale the company is not responsible. The real owner of the vehicle escapes all responsibility, and the responsibility is solely on the shoulders of the operator of the cab. What happens? If there is a collision, if you are injured or are incapacitated from your work or your business, you have no redress other than to sue this poor fellow who pays \$3 or \$2.50 a day for the use of the cab. I am credibly informed there are judgments to-day exceeding a half million dollars in the courts of the District of Columbia; judgments secured on account of personal injuries caused through the reckless operation of these taxicabs.

Again, a man who hires a cab, in order to make \$3, which he must pay for the rental, and pay for the gas and oil, must work about 16 or 18 or 20 hours a day in order to get anything out of the operation of the cab as a return for his labor.

Surely you will agree with me that this is absolutely unfair. It is unfair to the people living in the District of Columbia. It is unfair to us who have to live here during the session of Congress, it is unfair to visitors who come to the city, and it is unfair to the drivers. Five or six times I have heard statements made here about four girls getting into a taxicab and riding to their office, costing them each 5 cents. That would be 20 cents for the cost of the cab, but if they did not reach their destination in a condition to be able to go to work, if they were injured or maimed during this trip, how much would it cost them? I know and you know the result of automobile accidents, where fractures and other injuries are received, where there may be thousands of dollars expense before you are able to get back to work. There is absolutely no redress under the existing chaotic conditions. Why? Because the ostensible owner of the cab is the poor fellow who has paid \$2.50 or \$3 for the use of the cab for that day in order to try to eke out a living.

I do not believe there is a city or town of any size in the country where there is not some regulation of taxicabs. It is only fair that they should be so regulated and bonded. Some people say, "Well, it will make the rates higher and people can not afford to patronize them." Under the proposed regulation of the Utilities Commission, they could ride 2 miles for 25 cents. One drop of the meter 25 cents, and you could ride 2 miles. That is about coincident with what is now known as the first zone. You can ride anywhere in Washington in the first zone for 25 cents; in the second zone for 40 cents, and in the third zone for 60 cents.

Under the proposed regulation of the Utilities Commission, with the installation of meters, you can ride 2 miles for 25 cents. Then you pay 5 cents for each additional one-third of a mile. So that would be 15 cents more for 3 miles, which is approximately the same as the second zone now in operation, and the total amount would be 40 cents. That would be 3 miles for 40 cents, and 2 miles for 25 cents. This would afford not only regulation of the taxicab situation by the Utilities Commission and provide protection against injury, but it would also regulate the hours of labor of the drivers, the maximum being 12 hours. So you would not only help the public by having the drivers work a reasonable time, so that they could have a chance to get a little rest and recuperate for the next day, but you would be saved the possibility of injury during the trip.

While I like to see taxi service as cheap as possible in order to keep down expenses in these days when economy must



be practiced, at the same time I would like to have a reasonable degree of certainty that when I entered a cab I would arrive at my destination whole. I had a little experience in a taxicab about three years ago. I had my leg fractured. By the time I got through it cost me quite a little money. So it is with all of us. We take a chance when we take a cab which the driver must operate at high speed in order to get anything as a day's wages, and not only at top speed, but, as I say, for a very long day of 16, 18, or perhaps 20 hours.

So I think, in all fairness to the people of the District and to the traveling public in Washington, there should be proper regulation of the taxicab situation in the District. We have tried here for the last two years to bring this about, but up to now we have not been successful. Of course, Congress, sitting and acting as the board of aldermen for the District, is responsible for this condition; but I think that we, realizing the responsibility as ours, should discharge it in the proper manner. It means much, because if we should be injured in traveling to and from the House, see what the country would lose. It would lose our services; and you can not tell but, perhaps, that very day your vote on an important subject would mean much to our distressed country. So I think we ought to preclude the possibility of an accident of this kind occurring by properly regulating the operation of taxicabs in the District of Columbia.

Mr. Chairman, I ask unanimous consent to revise and extend my remarks by inserting some data that I have here.

Mr. STAFFORD. Mr. Chairman, reserving the right to object, I do not think we should cumber the Record with a large volume of details. It is very voluminous.

Mr. BOYLAN. I will not go into very great detail but only far enough to show the approximate cost of taxi service under the present zoning system, and what it would be under a meter system. These are outstanding facts, and we should have them for our information.

Mr. STAFFORD. Still further reserving the right to object, Mr. Speaker, the gentleman is still seeking the graces of the House, and he always is gracious in seeking the graces of the House. It is necessary that we have legislation to correct these intolerable conditions in the District. I made a few remarks yesterday calling attention to the need of having some corrective legislation, but my purpose in rising now is to prevent a cumbering of the Record.

Mr. BOYLAN. I assure the gentleman I will boil it down very much.

#### THE EFFECT OF THE METER RATES AS PRESCRIBED BY THE UTILITIES COMMISSION

As to the public: The public will receive a vastly improved service, and a service that will be infinitely safer. Fast and reckless driving on the part of the driver will not be necessary, since every trip, regardless of its length, will be a paying trip. The profit from operations will be sufficient to enable the owners to carry public liability insurance, to keep their cabs in better condition, and generally to improve their entire service.

As to the drivers: The drivers will be enabled to earn a fair living wage in 12 hours of work. Since meters automatically register the total fare receipts, owners can determine these receipts and take their proper share of the same. This will eliminate all renting.

The meter rates will not cause unemployment among the drivers and independent owners. If the 12-hour working law is enforced, every driver and owner-driver working today would find employment in taxicab driving, even if there should be a 30 per cent reduction in the number of cabs operated.

Greatly increase the cost to the public: The new meter rates will represent a very slight increase in fares for the average trip, and these rates are far below the rates prevailing in other cities of comparable size.

Put the independent owner out of business: The cost of the meter installation will be only \$35, with only \$10 down payment. The meter will pay for itself in 30 days in increased profits. The independent owners to-day represent 70 per cent of the total number of cabs on the streets, and

even under the meter rates they will remain the predominant factor in the local cab situation.

Congress created the Public Utilities Commission for the purpose of regulating public utilities and fixing rates. The public utilities act provides for review of rate decisions by the District of Columbia Supreme Court and the District of Columbia Court of Appeals.

The taxicab industry in Washington does an annual business of \$8,000,000; it directly gives employment to nearly 5,000 people, with an annual "pay roll" of some \$3,500,000; it pays some \$650,000 annually in local and Government taxes.

Congress having created the Public Utilities Commission for the purpose of regulating local utilities, should either give the commission a free hand subject only to review by the courts as provided in the utilities act or abolish the Utilities Commission and take unto itself the complete handling of local utility matters.

#### WILL ENFORCEMENT OF THE METER ORDER CAUSE UNEMPLOYMENT IN THE CAB INDUSTRY?

The opponents of the meter order have attempted to uphold their position by advancing the theory that the enforcement of the order will cause great unemployment among the cab drivers and independent cab owners. The fallacy of such a theory is easily demonstrated. As of February 4, 1933, there were 3,746 licensed taxicabs in Washington. On that day there was a total of 4,518 drivers (including owner-drivers) engaged in driving cabs, of which number slightly over 50 per cent had the exclusive use of their cab for 24 hours. (These figures are based on an actual survey made by the Public Utilities Commission.)

The day in question, being a snowy Saturday, was a peak day for driver employment. Yet there were several hundred cabs that did not go out on the streets due to lack of drivers. It is well known that on the average week day there is a very pronounced surplus of cabs over drivers. So it can be accepted as a fact that the maximum number of men making all or a part of their livelihood from cab driving is 4,518.

The Public Utilities Commission has issued a regulation prohibiting any driver from operating a cab more than 12 hours out of any 24 hours. This regulation is not now enforced; but is enforceable. If this regulation were enforced, the above 4,518 men could be given employment by 2,600 cabs, allowing for the fact that some independent owner-drivers will not permit other men to drive their cabs.

Therefore, even if the meter order would cause 1,145 cabs to go off the streets, which is decidedly not the case, as hereinbelow set forth, every man who is driving to-day would still have employment, and under better working conditions, and the opportunity of earning a more decent and livable wage than at present.

Of course a certain number of cabs would go off the streets if the meter order is enforced. These would be worn-out and dilapidated cabs not worth spending additional money on; cabs of some independent owners who would prefer to drive for some other owner rather than continue as independent owners, retaining their present cabs as private pleasure cars. But at the very highest estimate these cabs going off the streets would not number more than 800. So that there would still be available some 2,950 cabs, enough to give employment to 750 more men than are driving to-day.

Of the present 3,746 cabs, 2,556 of them, or 70 per cent, are owned by independent owners; while of the remaining 1,190 company-owned cabs, 706 belong to rental companies and only 484 belong to the seven different companies that might be classed as taxicab companies. Among the latter, the Black and White and Yellow Co. has only 200 cabs operating, and at its all-time peak had only 500 cabs, while of the remaining six taxicab companies not a single one now has, or has ever had, more than 50 cabs.

The Independent Taxi Owners Association—Diamond cabs—includes 550 independent owners operating 1,045 cabs, the largest fleet in the city and one of the largest in the United States. They have been well established here for

many years, and are to-day doing some 70 per cent to 80 per cent of the white telephone-call business. If anything, the enforcement of the meter order would add to their fleet and their membership, through other independent owners joining the association and present members buying additional cabs. But certainly the meter order will not put the independent members of this strong cooperative association out of business.

The Bell Cab Association—298 cabs—the Premier Cab Association—175 cabs—and other cooperative associations of independent owners will certainly not be put out of business by enforcement of the meter order. These various independent owner associations will always remain the predominant factor in the Washington cab situation.

The independent owner who is not a member of one of these associations is also not going to be put out of business. He may join one of the associations in order to get the benefit of call service, gas discounts, extra drivers, and so forth, or he may voluntarily give up his own cab in order to drive for some other owner on commission. But we have always had, and always will have, the fully independent owner-driver. The enforcement of the meter order will give him a "break" that he is not getting to-day and can not get under a low-rate zone system.

#### THE TRUE EFFECT OF THE METER ORDER ON DRIVERS AND OWNERS

Drivers will have their working conditions improved, their hours of work reduced, and will be able to earn the fair, living wage to which they are entitled. They will not be forced to "rent" a cab but will work on a commission basis, the only fair method of compensating them. Owners will be able to keep their cabs in better condition and the drivers will not continually lose time through breakdowns as at present. Under meter rates a driver may expect fewer trips but more money for each trip. He will not be handicapped by a succession of long hauls at 20 cents or 25 cents each as now happens should he have an "unlucky" streak. When he does have a long haul at the meter rates, it will be profitable, and he will not be forced to risk his own and his passengers' lives in the attempt to "fight against time."

Cab owners, under the meter rates, will have cab mileage—and consequently depreciation and repairs—greatly reduced. Their drivers will not be forced to drive at high speed in order to complete their long 20-cent runs in the fastest possible time—that will reduce the owner's accident risk. Their drivers will take better care of the cab, reducing repair bills. The owner will have an income per mile of operation that will give him a reasonable profit, enable him to purchase better equipment, enable him to pay for liability insurance or set up a reserve fund—all of which are impossible under present conditions.

The attitude taken by the meter opponents that the public will not ride in sufficient numbers at meter rates to enable the drivers and owners to make money is thoroughly unsound. If the new meter rates were as high as those of most other cities there might be some ground for the fear that cab business will tremendously fall off. But the meter rates set by the Public Utilities Commission are so extremely reasonable and will represent so slight an increase for the average cab rider that it is ridiculous to assume that the public will not continue to use cabs in great numbers. Where the added cost is only a matter of 5 cents, 10 cents, or even 20 cents above the present low zone fares, that slight additional cost is not going to throw the vast majority of the present riders back to the use of other forms of transportation. That there are many of the present riders who take 4 to 6 mile trips for 20 cents who will not use cabs for such a trip at meter rates is unquestionably true. But if such losing trips are eliminated, are not both the driver and the owner better off? Especially so when meter rates will insure that every trip, regardless of its length, will be a paying trip.

One of the greatest single advantages of the meter rates from the driver's angle is that it will end the present pernicious "rental system." And in no other way will this "rental system" be eliminated. As long as we have any

zone system, there will be the "rental system" as the prevailing relation between owner and driver. The simple reason for this is that where cabs are operating on a flat-rate zone system, there is no way in which the cab owner can determine the correct amount of fares taken in by the driver; therefore the owner is going to require a fixed "rent" from the driver. This is the owner's method of protecting himself; but it is unfair to the driver, since it forces the latter to pay the owner first and then take for himself whatever is left; and it often happens that there is little or sometimes even nothing left for the driver. This system was so scored by Justice Adkins in his lengthy opinion and has been so universally denounced that no further comment is necessary.

Meters automatically register the total fare receipts, and the owner's share—usually 60 per cent, with the owner furnishing gasoline and all other expenses—is easily determinable. Therefore "renting" will cease and the driver will receive his fair share of the receipts.

It is obvious that so long as we have a zone system there will be certain losing trips for the driver and owner. To attempt to lay out a zone system in which there were no conceivable trips on which the driver and owner would lose money would mean setting the initial zone fare so high that it would kill off the short-haul business. That was tried here at the very beginning of the zone system of operation, when the first zone rate was set at 35 cents. That rate was a failure because it did not attract the short-haul riders in sufficient numbers to offset the long hauls on which there was little or no profit.

And just so long as we have a rate system which permits losing trips, we will have the evils which go with it—speeding, discourtesy, refusal to accept passengers for long hauls, and the other evils that are so loudly complained of to-day.

Meter rates will bring to the public a vastly improved taxicab service—better equipment, better call service, safer service, courtesy and consideration from the drivers, and what is most important of all from the standpoint of the public—a financially responsible service that will protect the passenger and the general public in the matter of accident and damage claims. Is not this worth the few cents additional cost of the meter rates?

#### LIABILITY INSURANCE

This subject is of such importance that no discussion of the rate question would be complete without including it, for there is a very definite relation between the two.

Liability insurance is a matter of vital interest to every citizen and every cab patron. The situation existing in Washington to-day has been so thoroughly condemned that it needs no comment here. It is universally agreed that cab operators should be required to carry some form of public liability protection, at least in so far as their passengers are concerned. It is also agreed by all who have inquired into the matter that the present cab rates are too low to permit cab owners to pay the cost of any liability insurance.

Therefore, if the public wishes to be protected by liability insurance, it must submit to an increase in cab fares. The present rate for taxicab public liability insurance in Washington is \$365 per year per cab—and though the insurance companies will quote this rate, they decline to write the policy under existing conditions.

The majority of the cab owners would not oppose this compulsory insurance if they are given a rate of fare that will enable them to pay for it. But to impose this insurance on the cab owners without giving them the meter rates, their only possibility of paying for it, will simply result in driving the independent owner out of business and leaving the taxicab field to the well-financed taxicab companies who can get this insurance by blanket coverage at lower cost and who, with the bulk of the independents out of the way, can then set their own zone rates.

Even though the legislation prohibiting the enforcement of the meter order does not prohibit any taxicab operators from voluntarily adopting the meter rates, nevertheless such an action would be economic suicide for any operator or



operators trying it. Even though several groups of operators took this action in unison the ultimate result would be the same—the cutthroat competition from the lower zone rates would make it impossible for the meter groups to operate at a profit. The cab industry will therefore stand or fall as a whole on this rate question.

Mr. BOYLAN. Mr. Chairman, I yield back the balance of my time.

Mr. HOLADAY. Mr. Chairman, I yield myself three minutes.

I yield myself this time to reply to the remarks of the gentleman. I think he is somewhat mistaken with reference to the facts. The Public Utilities Commission have not tried very hard to regulate the taxis. They can regulate them without putting in meters. Moreover, the evidence before the committee was that the number of accidents caused by taxis was not any higher than the number of accidents caused by privately owned vehicles.

But a small percentage of the taxicabs are rented. The larger percentage of them are owned by individuals, and the fight in Washington is simply between the big companies and the independent operators. I presume the gentleman was in a cab belonging to one of the big companies if he got on at the Union Station, because the big companies have exclusive rights there. If cabs are required to be equipped with meters, it will mean that a thousand or so independent operators, for the most part ex-service men, will be put out of business.

Mr. COCHRAN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. HOLADAY. I yield.

Mr. COCHRAN of Missouri. Has the Public Utilities Commission power to require cab operators to carry insurance?

Mr. HOLADAY. I believe they have.

Mr. COCHRAN of Missouri. I pay \$175 a year for insurance on my car. If I damage a taxicab, the operator is going to be paid. On the other hand, if one of these 20-cent cabs run into me or hurt some one riding in my car, they can not be made to pay.

Mr. HOLADAY. Let me say to the gentleman, I think it has been estimated that insurance on taxicabs in Washington would cost something like \$300 a year.

Mr. COCHRAN of Missouri. That does not sound reasonable. My car is larger than the ordinary taxicab, and insurance costs me \$175.

Mr. HOLADAY. But there is a difference in rates for insurance on private cars as compared with taxicabs. There is no other way in which the big companies could so quickly or so effectively put a large number of these independent operators out of business than to have all cabs required to be equipped with meters and the operators required to carry liability insurance.

Mr. STAFFORD. Mr. Chairman, the gentleman stated that there is existing law for placing these taxicabs under surety insurance. On yesterday when this subject was under consideration on District day, I referred to a bill which the gentleman from Illinois [Mr. REID], from the Committee on the District of Columbia, in the last Congress reported providing for surety insurance. That bill naturally was predicated upon the idea that there was no authority in the District commissioners or in the Public Utilities Commission to exact liability insurance from these taxicab drivers.

Mr. HOLADAY. There is no such regulation in effect. I have not looked into it, but I am rather of the opinion that the commission has the authority if it wanted to exercise it. If the commission has not the authority, then I am hopeful they will never be granted this right; because I am not in favor of putting these 1,000 independent operators out of business and turning it all over to a monopoly of two large companies.

Mr. STAFFORD. Only yesterday, after the conclusion of the session, I was almost mowed down by a reckless taxicab driver. I consider my life, as well as the lives of others here, somewhat of consequence to the people of the country and of the District.

Mr. PARKER of New York. Will the gentleman yield?

Mr. HOLADAY. I yield.

Mr. PARKER of New York. I want to ask the gentleman if he believes anybody should operate a public utility without liability insurance? I do not think anybody in interstate or intrastate commerce should operate a vehicle one foot without liability insurance.

Mr. HOLADAY. I do not know that I can agree with the gentleman.

Mr. PARKER of New York. I do not see how the gentleman can fail to agree with me.

Mr. BOYLAN. Will the gentleman yield?

Mr. HOLADAY. I yield; yes.

Mr. BOYLAN. The gentleman has made the statement that such a regulation would put the independents out of business. This would not be the case. The gentleman speaks about the renting of cabs, and the men who rent the cabs are the ones who have to work 16 or 18 or even 20 hours a day in order to make a living.

Mr. HOLADAY. Only a small percentage of the taxicab drivers are renting their cabs.

Mr. BOYLAN. It is a very large percentage, as the gentleman will find out if he reads the figures which I have put in the RECORD.

[Here the gavel fell.]

The Clerk read as follows:

*Be it enacted, etc.,* That in order to defray the expenses of the District of Columbia for the fiscal year ending June 30, 1934, any revenue (not including the proportionate share of the United States in any revenue arising as the result of the expenditure of appropriations made for the fiscal year 1924 and prior fiscal years) now required by law to be credited to the District of Columbia and the United States in the same proportion that each contributed to the activity or source from whence such revenue was derived shall be credited wholly to the District of Columbia, and, in addition, \$6,500,000 is appropriated, out of any money in the Treasury not otherwise appropriated, to be advanced July 1, 1933, and all the remainder out of the combined revenues of the District of Columbia, and the tax rate in effect in the fiscal year 1933 on real estate and tangible personal property subject to taxation in the District of Columbia shall not be decreased for the fiscal year 1934, namely:

Mr. CANNON and Mr. SMITH of Virginia rose.

Mr. CANNON. Mr. Chairman, I move that the committee do now rise.

Mr. SMITH of Virginia. Mr. Chairman, I was on my feet to make a point of order against certain portions of the paragraph just read. I wish it understood that I reserve the point of order.

The CHAIRMAN. The gentleman may reserve the point of order.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. PRALL, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill H. R. 14643, the District of Columbia appropriation bill, had come to no resolution thereon.

#### THE PANAMA CANAL ZONE

Mr. LEA. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7518) to amend an act entitled "An act extending certain privileges of canal employees to other officials on the Canal Zone and authorizing the President to make rules and regulations affecting health, sanitation, quarantine, taxation, public roads, self-propelled vehicles, and police powers on the Canal Zone, and for other purposes, including provision as to certain fees, money orders, and interest deposits," approved August 21, 1916, with a Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Senate amendment is as follows:

Page 2, line 5, strike out "public health board" and insert "board of health."

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Senate amendment was agreed to.

Mr. LEA. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7519) to amend the Penal Code of the Canal Zone, with Senate amendments, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Senate amendments are as follows:

Page 26, strike out lines 6 to 20, inclusive.

Page 57, after line 16, insert:

"Sec. 115. Nothing contained in this act shall apply to an offense committed prior to the time when this act takes effect. Such an offense shall be punished according to the provisions of law existing when it was committed in the same manner as if this act had not been passed."

Mr. CHINDBLOM. Mr. Speaker, reserving the right to object, what is the effect of the amendment?

Mr. LEA. All the amendments are routine amendments except one that strikes out the section relating to the crime of abortion. The effect of this amendment will be to leave the law in the Canal Zone the same as it is at present.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Senate amendments were agreed to.

Mr. LEA. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7520) to amend the Code of Criminal Procedure for the Canal Zone, with Senate amendments, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Senate amendments are as follows:

Page 36, line 24, strike out "a" and insert "the."

Page 43, line 1, before "A," insert "Sec. 219."

Page 61, after line 23, insert:

"Sec. 120. This act shall apply to criminal actions and proceedings from the time it takes effect, except that all such actions and proceedings theretofore commenced shall be conducted in the same manner as if this act had not been passed."

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Senate amendments were agreed to.

Mr. LEA. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7521) to provide a new Code of Civil Procedure for the Canal Zone and to repeal the existing Code of Civil Procedure, with Senate amendments, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Senate amendments are as follows:

Page 1, line 9, strike out "the — day of —, 19—" and insert "1st day of October, 1933."

Page 128, line 11, strike out "actions" and insert "action."

Page 191, lines 24 and 25, strike out "encumbrance" and insert "encumbrance."

Page 233, line 13, strike out "and" where it appears the second time, and insert "an."

Page 315, transpose lines 24 and 25.

Page 334, after line 14, insert "law, the duties of executor or administrator, which oath must."

Page 334, strike out line 17.

Page 335, after line 17, insert "Chapters 23 to 36, the sureties must justify thereon in the."

Page 335, strike out line 19.

Page 378, line 21, strike out "Orders" and insert "Order."

Page 388, line 8, strike out "administrators" and insert "Administrators."

Page 443, line 20, strike out "defendant" and insert "defendant."

Page 459, line 19, strike out "that" and insert "than."

Page 485, line 13, strike out "discharge" and insert "discharge."

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Senate amendments were agreed to.

Mr. LEA. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7522) to provide a new Civil Code for the Canal Zone and to repeal the existing Civil Code, with Senate amendments, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Senate amendments are as follows:

Page 1, line 9, after "the," insert "first."

Page 1, line 9, after "of," insert "October."

Page 1, line 10, after "and," insert "thirty-three."

Page 101, strike out line 6.

Page 101, after line 13, insert "witness subscribed his name thereto as a witness."

Page 121, line 17, strike out "or" and insert "of."

Page 147, line 6, strike out "assignees" and insert "assignee."

Page 202, line 9, strike out "requires" and insert "acquires."

Page 206, line 6, strike out "it."

Page 365, line 1, strike out "or" and insert "of."

Page 368, strike out lines 7 to 11, inclusive.

Page 378, strike out lines 7 to 11, inclusive.

Page 378, strike out lines 14 to 16, inclusive.

Page 378, line 17, strike out "(2)."

Page 379, line 7, strike out all after "fault" down to and including "policy," in line 9.

Page 379, line 13, after "insurers," insert "by fire-insurance policies."

Page 379, line 19, after "When," insert "such."

Page 379, line 24, after "When," insert "such."

Page 380, strike out lines 7 to 22, inclusive.

Page 381, lines 5 and 6, strike out "or of his agents or others."

Page 388, strike out lines 21 to 24, inclusive.

Page 389, strike out lines 4 to 8, inclusive.

Page 390, line 7, after "former," insert "Provided, That the person indemnified has complied with the terms and conditions of the policy."

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Senate amendments were agreed to.

#### PRINTING REPORT OF COMMITTEE TO INVESTIGATE GOVERNMENT COMPETITION WITH PRIVATE ENTERPRISES

Mr. STEVENSON. Mr. Speaker, I call up privileged resolution, House Resolution 376.

The Clerk read as follows:

#### House Resolution 376

*Resolved*, That there be printed 5,000 additional copies of the report (H. Rept. No. 1985) of the special committee of the House of Representatives appointed to investigate Government competition with private enterprises, of which 2,000 copies shall be for the House document room and 3,000 copies for the use of the special committee.

With the following amendment:

In line 5, after the word "which," strike out "two" and insert "three," and in line 6, after the word "and," strike out "three" and insert "two."

Mr. COCHRAN of Missouri. Mr. Speaker, the resolution asks for 3,000 copies for the House document room for 435 Members, and 2,000 for the special committee of 5 members; 1 member, Mr. STAFFORD, says he does not desire copies. I already have requests for 15 copies of this report. I can not recall a resolution that has been so liberal with a special committee. I think it should be amended so as to provide 1,000 for the special committee, which is very liberal, and 4,000 copies for Members of the House.

Mr. STEVENSON. Mr. Speaker, the resolution as originally introduced provided for 2,000 copies for the document room and 3,000 for the special committee. I was approached by the gentleman from Missouri to change that, and I did change it to 1,000 for the committee and 4,000 for the House generally. After I did so, five minutes ago the gentleman from Wisconsin had a conference with the gentleman from Missouri, and they agreed on this other proposition. I do not care whether it is passed or not, but I stand on what I agreed to.

Mr. COCHRAN of Missouri. Mr. Speaker, the gentleman is in error, it was the gentleman from Wisconsin [Mr. STAFFORD], a member of the special committee, who asked for the change. Mr. Speaker, I move to amend by striking out the figures "2,000" and inserting "1,000."

The SPEAKER. Does the gentleman from South Carolina yield to the gentleman from Missouri for that purpose?

Mr. STEVENSON. I do not yield for that purpose. I understood the gentleman from Missouri and the gentleman from Wisconsin to suggest these amendments, and I acted in good faith, and I stand by it. I move the previous question.

Mr. COCHRAN of Missouri. I am sorry the gentleman misunderstood me. He always acts in good faith.

The previous question was ordered.

The amendments were agreed to.

The resolution as amended was agreed to.



## POST-OFFICE GARAGE AT BOSTON, MASS.

Mr. MEAD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 88) to authorize the Postmaster General to investigate the conditions of the lease of the post-office garage at Boston, Mass., and to readjust the terms thereof.

The SPEAKER. Is there objection?

Mr. STAFFORD. Mr. Speaker, when this bill was under consideration under the unanimous-consent call, it barely escaped defeat because one Member did not rise in time. The amendments were prepared by me after consultation with the gentleman from Massachusetts [Mr. Foss]. If I had thought for one minute that these amendments were not going to be adopted, I would have done all in my power to defeat the bill. I had doubt whether we should delegate the right to the Postmaster General to increase rentals, when all other rentals are coming down.

My amendments proposed "not in excess of" the amounts stated, while the gentleman's bill as reported from the committee is mandatory, and it is not supported by the Postmaster General. I can not understand the Senate of the United States in not accepting these reasonable amendments. I serve notice now that if the Senate does not recede, I shall use every parliamentary advantage under my control to defeat the bill.

The SPEAKER. Is there objection?

There was no objection.

The Chair appointed the following conferees: Mr. HAINES, Mr. PATTERSON, Mr. FOSS.

## LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. KLEBERG, indefinitely, on account of illness.

To Mr. MONTAGUE, for to-day, on account of illness.

## AGRICULTURAL APPROPRIATION BILL

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent that the conferees on the agricultural appropriation bill have until midnight to-night to file a conference report.

The SPEAKER. Is there objection?

There was no objection.

## GOVERNMENT IN BUSINESS AND THE TAXPAYER'S BURDEN

Mr. PETTENGILL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. PETTENGILL. Mr. Speaker, under leave to extend I append a brief radio address which I gave on September 21, 1932, over the blue network of the National Broadcasting Co. The address is as follows:

The cost of government, Federal, State, and municipal, has been running about \$15,000,000,000 a year. This cost is collected by taxes of all sorts—general property, excise, income, inheritance, sales tax, customs duties, etc. Unless taxes are paid out of capital, which, of course, if continued means bankruptcy, the only source out of which they can be collected is the earnings of the people. The gross earnings of the American people from 1921 to 1929 amounted to about \$90,000,000,000 per annum. On this basis, the cost of government at \$15,000,000,000 means that one dollar out of every six has been absorbed by taxes.

## TAX SUPERSTITIONS MUST BE EXPLODED

Generally speaking, this dollar out of every six came out of every pocketbook in America. It is one of the superstitions of the age that only the rich, only the property-owning or income-earning citizens pay taxes. This superstition is believed in the most incredible places, not only by the "butcher, the baker, the candlestick maker" who read the baseball scores and say, "Let some one else balance the Budget," but even in State and National legislatures. This superstition must be exploded if public waste of the people's money is to be stopped. We must become tax conscious or unconscious. If people generally were keenly aware that one dollar in every six goes to support government, they would be in revolt against subsidy grabbers and Treasury raiders. Waste and duplication and the nonessential services of bureaucracy would cease.

Because people generally are not aware of this elementary fact, the dance goes on, and will go on until the fact is realized or repudiation begins. The fact is, however, as demonstrable as a proposition in mathematics. The railroads, for example, pay about \$1,000,000 a day in taxes—State, Federal, and municipal. Where do they get the money to pay this million dollars every 24 hours? Out of their revenues; out of what you and I pay for their pas-

senger and freight service, and from no other source. The railroads simply do not manufacture money. Everybody who eats and wears anything that moves by railroad pays their tax. The railroads are essentially tax collectors rather than taxpayers.

Who pays the tobacco excise tax? You do. No one else. Look at the Government stamp on your pack of cigarettes. It tells you that you paid 6 cents to Uncle Sam when you bought a 15-cent package. The sales tax is added to the thing sold. Customs duties are paid by the consumer, not the importer. The property tax is largely paid by the renter. The corporation income tax is added to the price of what is made and sold. With the possible exception of the inheritance tax, which is a capital levy, the tax on the site value of land, and to some extent individual income taxes, it is doubtful if the tax collector does not reach in and take in almost equal degree \$1 out of every \$6 in every home in this country. "Jones pays the freight." People are worried and anxious. They can't "get ahead." They can't make "both ends meet." They know "something is wrong." For part of the answer look at that dollar in every six.

## TAXES ABSORB ONE-THIRD OF EARNINGS

But I was speaking of the days before the bubble burst in 1929. To-day the earnings of the American people have shrunk from \$90,000,000,000 to less than \$60,000,000,000, some say \$45,000,000,000. If the tax burden of \$15,000,000,000 remains the same, this means that it absorbs one dollar not in every six but in every four or three. In other words, measured by our ability to pay, there has been an invisible increment in the burden or weight of taxation of 50 to 100 per cent—since 1929.

For example, if a farmer's tax is \$100 a year, and he raises 200 bushels of wheat which brings him \$1.50 a bushel, he can pay his taxes with one-third of his wheat, and from the proceeds of the other two-thirds buy at the store. But when wheat goes to 50 cents a bushel it takes all of his wheat to pay his taxes and he has nothing to spend at the store, which in turn orders nothing from the factory, which in turn does not employ men, and men in the cities go hungry because they can not afford to pay enough for the farmer's wheat so that he can pay his tax and still have something left with which to buy of them. The circle of stagnation is thus completed, and in this process no small part is played by the item of taxes.

So far as the farmer is concerned it is the same as if his taxes had been increased from one to three hundred dollars. If debts and taxes shrank as rapidly as earnings or the commodity price index shrinks, the burden or weight of taxes would be no greater in hard times than in good times. But they do not so shrink. They are almost inflexible obligations, and a first lien or charge upon property and earnings. In times of business depression the tax question emerges as does a reef of rock when the tide goes out. Taxes then become a vampire that sucks up 25 per cent or more of the economic blood stream. In many instances their invisible increment becomes the last straw, followed by tax sale or foreclosure and then by heartache and despair and homeless Americans.

## DANGERS OF NARROW TAX BASE

Next to the realization that every consumer is a taxpayer must come the recognition that every extension of the processes of government narrows the tax base which supports government. This concentrates the load still more heavily upon those upon which the burden still rests. To make a simple illustration. Here is a steel column in a brick building. It rests upon a plate which distributes the load upon every brick in the foundation wall. Whenever Government takes over an enterprise formerly conducted by private industry it amounts to a transfer of so much of the total national wealth from the taxpaying to the tax-eating class. It is the same as taking bricks from the foundation wall and adding them to the wall above which the column supports. Continue this process long enough and a collapse is certain. Looked at from this angle we realize the profound wisdom of the founders of the Republic who so constantly urged "a wise and frugal Government."

Every dollar that goes into unnecessary Government buildings or works, or unnecessary Government pay rolls, or unnecessary tax-exempt Government bonds subtracts a dollar from the hoard of taxable wealth, narrows the tax base, and intensifies the burden. Times of depression are greatly deepened and lengthened by the tax burden because it can not be made to shrink as fast as wages and prices go down, and thus consumes a greater share of the little store that is left. Of all the remedies for agricultural distress, for example, none is quite so simple and so certain as a radical reduction of taxes. As in Bible times so to-day, "the hand of the collector of taxes fell heavy on the land." Every new governmental bureau means less new bureaus back home.

Many services of government are absolutely essential to civilization. But a double wrong is done whenever government—I am speaking now of the Federal Government—invades the field of private enterprise. When it does so, in a double sense it takes from "the mouth of labor the bread that it has earned." To-day we find Uncle Sam without authority under the Constitution invading at least 100 fields of industry. It takes business away from business and taxes the business so deprived to sustain its competition.

It is this which is now being investigated by a congressional committee composed of Mr. SHANNON, of Kansas City, Mo.; Mr. STAFFORD, of Milwaukee, Wis.; Mr. RICH, of Woolrich, Pa.; Mr. COX, of Camilla, Ga.; and myself. Hearings have been held in Washington, New York, Kansas City, St. Louis, Memphis, New Orleans, Fort Sill, and South Bend, Ind. In November hearings will be



held in Chicago. We have heard intense, almost bitter complaints from farmers, commission men, architects, printers, blue printers, doctors, restaurant men, warehousemen, express clerks, dairymen, clothing and shoe manufacturers, railroad men, musicians, school-furniture men, and dozens of other callings who, in these desperate times, watch Government competing with them and taxing them in order to compete.

#### ASTONISHING EXAMPLES OF BUREAUCRACY

Every day we hear of some new and astonishing example of far-reaching bureaucracy. At New York the head of a great ship-salvaging concern appeared. His company operates on both the Atlantic and Pacific seaboard. It is paid for its services by marine underwriting companies—many if not most of whom are English concerns. This gentleman tells us that the United States Coast Guard has gone into the business—not of saving life, as to which there is no objection, but of salvaging ships and cargoes—and does so free of charge, the only nation in the world engaged in salvaging. The result is that the American taxpayer is taxed to relieve a British insurance company of the cost of salvage, and in addition an old American firm is gradually being driven to the wall.

Then there was brought to our attention the Federal Barge Line on the Mississippi River—a Government-owned corporation. To it the Government has turned over \$12,000,000 of property and \$12,000,000 of cash. It has been operating since 1924. Its water craft pay no taxes whatever and not a single cent of return to Uncle Sam on his investment. After eight years a \$24,000,000 concern shows no profits whatever, to say nothing of taxes. It falls each year to even earn 5 per cent on its investment by \$1,200,000. It, in fact, earns nothing. Meantime \$100,000,000 of tax money has been spent on providing it with a navigable right of way for which it, of course, pays nothing. It has a fleet of some three hundred water craft competing with the railroads for freight.

Meantime the Government, through the Reconstruction Finance Corporation, is pouring millions of dollars into the railroads to save them from receivership, and at the same time taxes them to finance an unprofitable water competitor. This is Government in business. If the Government keeps on subsidizing railroad competition, there is a real danger it will wind up with the Government taking over the railroads—and in so doing, taking not millions but billions of dollars from the tax duplicates of the towns, counties, and cities of America. What will the tax burden then be on those of you who are not on the Government pay roll?

#### HIGH TAXES IS CITIZEN'S PROBLEM

In his first inaugural address Thomas Jefferson urged a "wise and frugal government, which shall restrain men from injuring one another but shall leave them otherwise free to follow their own pursuits of industry and employment and shall not take from the mouth of labor the bread that it has earned." Does not this state the whole case against high taxes and Government competition with its own citizens?

In the last analysis, unnecessary taxes and Government competition do not take the citizen's dollars. They take his life. They shorten his economic chance to earn comforts during his working years and to provide a nest egg for old age and his dependents when he is gone.

And now, but one emphatic word. Industrial and banking ownership and management must not use tax relief to hog the economies and savings of the machine age as they did in the jazz decade, when dividends went up and real wages went down. If they continue to sop up purchasing power, they will ruin their own market and make State control inevitable. The supreme problem facing our economic and political survival is to provide work at a saving wage for the millions of workless workers.

Ladies and gentlemen, Government competition is your problem—not that of the Shannon committee. Unless you support us, we are helpless. Public opinion alone will deflate bureaucracy. Nothing else will. The battle is lost unless you elect men to Congress who will say "No." And then back them up. It will be a long, hard fight. But if you wait before you take an interest in this subject until your own ox is gored, you may wake up some morning and find you haven't any ox.

#### THE DEBT SETTLEMENT

Mr. RAINEY. Mr. Speaker, I ask unanimous consent to extend my remarks by printing a speech I made before the Washington College of Law on Saturday night.

The SPEAKER. Is there objection?

There was no objection.

Mr. RAINEY. Mr. Speaker, under permission granted me to extend my remarks in the Record by printing a speech made by me at the banquet of the Washington College of Law at the Mayflower Hotel on Saturday, February 11, 1933, I herewith print said speech, as follows:

In discussing the debt settlements of foreign nations, perhaps we had better commence with France.

In the settlements we have made with our debtor nations we have accepted their own propositions and we have canceled a large part of the amount they owe us. Our cancellations range from 19.7 per cent in the case of Great Britain to 75.4 per cent in the case of Italy. When we settled with France we canceled 52.8 per cent of her indebtedness to us.

They are nearly all of them now demanding additional cancellations, and France is threatening to completely repudiate her debt to us. The debt of France is probably the most appealing. It was at the demand of France that we inaugurated the policy of loans to our allied nations after we entered the war. Our position then was this: We were without an army properly equipped, although we had at that time the largest standing Army we ever had in peace time, but they had as many musicians in the Russian Army as we had of men and officers in the American Army. It was apparently necessary for us to finance our Allies until we were ready to assemble and train our own armies for the World War, and we commenced to assemble an army and to assemble war material and to build ships upon a scale never before attempted in the history of the world.

I recall that the Ways and Means Committee of the House of Representatives assembled in its committee room behind closed doors two days after our declaration of war to consider the subject of financing the war, and we had just determined to prepare for a war that might last 11 years, and we had just determined that we might be compelled to expend in the first year of the war a sum of money four times bigger than we had of money in existence at that time, and I might mention in passing that we accomplished that miracle of finance through the instrumentalities of the income tax and our Federal reserve system.

Just at this point there came a knock at the door of the committee room and I, myself, admitted Viviani, an ex-Premier of France, and I can see him now as he stood at the head of the long committee table, accompanied by two French gentlemen, holding their silk hats in their hands, and I recall his speech. He said, "Gentlemen, I have received a message in code this morning from my government. I have just had it translated and by that message I am commanded to say to you that France can remain in this war only six weeks longer unless you can loan us at once \$50,000,000 and send us a division of men." I said to him, "We can loan you the money and we will, but we can not send you a division of men. We have no arms with which to arm 20,000 men." He turned sadly to the door and just before he left he said, "Gentlemen, you do not understand the psychology of the French. It will do no good to loan us money unless you send us also men. Send us then unarmed men and we will arm them with the arms of the dead soldiers of France." He left the room.

I will never forget his speech. I have quoted it exactly. It burned its way into my very soul. His speech proved conclusively to all of us that French participation in the war was practically over, that we must finance the armies of our allies until our soldiers could get to France, or we must be prepared to carry on the war in the future ourselves.

Arrangements were immediately perfected to loan money, not only to France, but to our other allied nations, and on the 8th day of May, 1917, we made the first loan to France. The loan amounted to \$50,000,000. On the 12th day of June, 1917, the first detachment of the First Division of the American Army sailed for France from the port of New York. It arrived at St. Nazaire, France, on June 26 and 27, 1917. It consisted of 92 officers and 2,606 enlisted men. Other detachments of the First Division were quickly sent to France. The very first unit to sail was Base Hospital No. 4, which consisted of 34 officers, 156 enlisted men, 98 nurses, and 4 civilians. It sailed from New York on May 8, 1917, and arrived at Liverpool on May 17, 1917.

The first detachment of the First Division was quickly carried by special trains from St. Nazaire to Paris and 2,600 unarmed khaki-clad soldiers marched through the streets of Paris, each American soldier accompanied by a French soldier who had lost an arm or a leg on the battlefields of France, while millions of French people lined the pavements and wildly cheered. It brought back courage to the French. Our armies were arriving and down the long concrete entrenchments at Verdun the news was passed that the Americans were in France and the response was, and it rang through the world, "They shall not pass."

And then we commenced making these loans until they aggregated the present enormous total, and now we hear that the French propose to repudiate their obligations to us and practically all of our debtors are demanding still further cancellations of the amount they have agreed to pay us.

The amounts the various nations owe us now are a small percentage, indeed, of their total national debts. The amount France owes us is only 3.75 per cent of her national debt. The amount England owes us is only 2.65 per cent; Italy, 1.41 per cent; and Belgium, 2.45 per cent. I am wondering why they single us out for further reductions. Why not repudiate part of their debts to other holders of their bonds? They seem to forget the fact that we borrowed from our nationals the money we loaned them and we must pay it back. Further reductions will mean the saddling of the debts they owe us on our own taxpayers.

The amounts they owe us each year, under their agreements with us, are only a small percentage of the amounts our debtor nations are expending for armaments. If they could get together and reduce their armaments by as much as they owe us each year they would be conferring a favor upon their own nationals and they might be further postponing into the future years the next war.

And now comes the proposition that we accept from one of our debtor nations in one lump sum 10 per cent of the amount that nation owes us.

I have just called attention to the French position, expressed through their representatives in this country in April, 1917. If the statement he made to us is correct, we are in the position of having kept France on the map, and it is particularly unfortunate,



to say the least, on her part that she should now be demanding further reductions and threatening a complete repudiation.

I recall a time when we borrowed money from France. We were in the throes of our own war for independence. During the revolutionary period we negotiated a number of loans in Europe, and the proceeds of these loans were for the most part used in paying for supplies purchased abroad. From 1777 until 1783 we borrowed from France a total of \$6,352,500. We paid every dollar of it back, with interest at from 4½ per cent to 5½ per cent. The last payment was made in 1815. There was no demand on our part for any reductions, no threat of repudiation.

France was in this situation when she made the loans—she had lost her American colonies; she had been defeated in every struggle with a united Britain; at that time her empire was divided. The French Premier saw clearly the depths to which his country had fallen, and he felt her degradation. Great Britain had gained most from the misfortunes of France. She had conquered Canada and other possessions of the Bourbons. This was the opportunity for France to restore French prestige through loans to the Colonies, and this was the policy of the French Premier. This led France, in 1778, to recognize the independence of the United States and this led to the active participation of France in our war for independence. For a long time the French Premier took the position that it was not in accord with the dignity of the King of France to ally himself with insurgents. In making these loans France never was animated by any feeling of sympathy for our cause. Loans were made to us in order that France, through us, might strike at Britain and recover some of her lost prestige, but we paid it all back, every dollar of it, including a considerable part which never reached us but which was embezzled by the dishonest intermediary selected to act for France in these transactions.

When we made our settlements with France we bought her bonds. We bought them under the provisions of the First Liberty loan act, the act of April 24, 1917. Section 3 of this act authorizes the Secretary of the Treasury "to receive on or before maturity payment for any obligations of" any of our debtor nations "purchased on behalf of the United States, and to sell at not less than the purchase price of any such obligations and to apply the proceeds thereof" to any of our bonds that might be subject to redemption and payment. The provisions of the Liberty loan act were carried into every contract we made with any of our debtor nations, including France, and we are in the position of being purchasers of their bonds. The bonds are now deposited here in Washington in the Treasury Department, amounting to \$11,000,000,000 in all. The amount of the French bonds is considerably over \$3,000,000,000. These bonds are expressed in the language of the debtor nations issuing them. We have agreed that they shall pay in annual installments for 63 years, but that does not prevent us at any time under our contracts with them from selling on their own markets or on the markets of any other nation their own bonds so purchased by us whether they are due or not, provided we obtain for the bonds so sold the purchase price. We can forget about the interest so far as we are concerned, but the purchaser will hold them subject to the payment of the interest coupons. If they can not pay us now, all we have to do is to wait until we can sell these bonds on the markets of the countries issuing them or any other country at the price we paid for them. This makes it difficult indeed for any debtor nation to escape permanently its obligations to us. The time will come when we can sell these bonds at the purchase price on their own markets. It is unthinkable that any of our debtor nations will at any time in the future repudiate these contracts. It would be an unfriendly act, and we could and would adopt adequate measures of retaliation.

#### SENATE BILLS REFERRED

Bills and a joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 2508. An act for the relief of Maj. O. S. McCleary, United States Army, retired; to the Committee on Claims.

S. 2582. An act for the relief of Leo James McCoy; to the Committee on Naval Affairs.

S. 2583. An act for the relief of Albert Lawrence Sliney; to the Committee on Naval Affairs.

S. 2862. An act for the relief of W. H. Hendrickson; to the Committee on Claims.

S. 4589. An act to authorize the Secretary of the Interior to make payment of part of the expenses incurred in securing improvements in drainage project of drainage district No. 1, Richardson County, Nebr., and for other purposes; to the Committee on Indian Affairs.

S. 4590. An act for the relief of Juan Apodaca; to the Committee on Military Affairs.

S. 5052. An act to empower the health officer of the District of Columbia to authorize the opening of graves, and the disinterment and reinterment of dead bodies, in cases where death has been caused by certain contagious diseases; to the Committee on the District of Columbia.

S. 5214. An act for the relief of Michael J. Budzinski; to the Committee on Naval Affairs.

S. 5433. An act for the relief of certain settlers on the Fort Peck Indian Reservation, in the State of Montana; to the Committee on the Public Lands.

S. 5503. An act authorizing the Chesapeake Bay Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Chesapeake Bay from a point in Baltimore County to a point in Kent County in the State of Maryland; to the Committee on Interstate and Foreign Commerce.

S. 5539. An act authorizing the Secretary of the Navy to grant a perpetual easement to Pacific Gas & Electric Co., a California utility corporation, over, across, in, and upon the site of the lighter-than-air base, near Sunnyvale, in the county of Santa Clara, in the State of California, for an existing 20-inch gas main; to the Committee on Naval Affairs.

S. 5581. An act authorizing the Secretary of Commerce to dispose of certain lighthouse reservations, and for other purposes; to the Committee on Interstate and Foreign Commerce.

S. 5588. An act authorizing the acceptance of title to sites for public-building projects subject to the reservation of ore and mineral rights; to the Committee on Public Buildings and Grounds.

S. J. Res. 237. Joint resolution authorizing the erection in the Department of State Building of a memorial to the American diplomatic and consular officers who while on active duty lost their lives under heroic or tragic circumstances; to the Committee on Public Buildings and Grounds.

#### SENATE ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to enrolled bills and an enrolled joint resolution of the Senate of the following titles:

S. 220. An act authorizing adjustment of the claim of the Van Camp Sea Food Co. (Inc.);

S. 3438. An act authorizing adjustment of the claim of Lindley Nurseries (Inc.);

S. 4673. An act to amend an act entitled "An act to incorporate the trustees of the Female Orphan Asylum in Georgetown and the Washington City Orphan Asylum in the District of Columbia," approved May 24, 1828, as amended by act of June 23, 1874;

S. 4694. An act to amend section 812 of the Code of Law for the District of Columbia;

S. 5289. An act to authorize the Commissioners of the District of Columbia to reappoint George N. Nicholson in the police department of said District; and

S. J. Res. 248. Joint resolution to amend the joint resolution entitled "Joint resolution to authorize the merger of street-railway corporations operating in the District of Columbia, and for other purposes," approved January 14, 1933.

#### BILL PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H. R. 11461. An act for the relief of C. N. Hildreth, jr.

#### ADJOURNMENT

Mr. RAINEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 8 minutes p. m.) the House adjourned until to-morrow, Wednesday, February 15, 1933, at 12 o'clock noon.

#### COMMITTEE HEARINGS

Tentative list of committee hearings scheduled for Wednesday, February 15, 1933, as reported to the floor leader:

#### WAYS AND MEANS SUBCOMMITTEE

(10 a. m.)

Hearings on the establishment of foreign-trade zones.

PUBLIC BUILDINGS AND GROUNDS  
(10.30 a. m.)

H. R. 14461. To provide for placing the jurisdiction, custody, and control of the Washington city post office in the Secretary of the Treasury.

H. R. 14582. Authorizing the acceptance of title to sites for public buildings.

H. J. Res. 585. Authorizing erection of memorial to American diplomatic and consular officers.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

938. A communication from the President of the United States, transmitting estimates of appropriations, submitted by the several executive departments, to pay claims for damages to privately owned property in the sum of \$8,282.61 (H. Doc. No. 554); to the Committee on Appropriations and ordered to be printed.

939. A communication from the President of the United States, transmitting draft of proposed provision pertaining to an existing appropriation for the Treasury Department (H. Doc. No. 555); to the Committee on Appropriations and ordered to be printed.

940. A communication from the President of the United States, transmitting estimates of appropriations, submitted by the Navy Department, to pay claims for damages by collision with naval vessels in the sum of \$637.99 (H. Doc. No. 556); to the Committee on Appropriations and ordered to be printed.

941. A letter from the Director of the United States Shipping Board, transmitting the following reports: No. 275, Imports and Exports of Commodities, July to September, 1932; No. 300, Employment of American Merchant Vessels as of December 31, 1932; No. 1100, Ocean Going Merchant Fleets of Principal Maritime Nations as of September 30, 1932; to the Committee on Merchant Marine, Radio, and Fisheries.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. POULSON: Committee on Rules. House Resolution 378. A resolution providing for the consideration of S. 417, an act to provide a Government for American Samoa; without amendment (Rept. No. 2017). Referred to the House Calendar.

Mr. MALONEY: Committee on Interstate and Foreign Commerce. H. R. 14378. A bill to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Baton Rouge, La.; with amendment (Rept. No. 2019). Referred to the House Calendar.

Mr. CROSSER: Committee on Interstate and Foreign Commerce. H. R. 14462. A bill to extend the times for commencing and completing the construction of a bridge across the Ohio River at or near Sistersville, Tyler County, W. Va.; without amendment (Rept. No. 2020). Referred to the House Calendar.

Mr. VINSON of Georgia: Committee on Naval Affairs. House Joint Resolution 526. Joint resolution authorizing the Secretary of the Navy to sell surplus coal at nominal prices for distribution to the needy; with amendment (Rept. No. 2021). Referred to the Committee of the Whole House on the state of the Union.

Mr. CHAPMAN: Committee on Interstate and Foreign Commerce. H. R. 14303. A bill authorizing the George Washington-Wakefield Memorial Bridge Corporation, its successors and assigns, to construct, maintain, and operate a bridge across the Potomac River at or near Dahlgren, Va.; with amendment (Rept. No. 2022). Referred to the House Calendar.

Mr. WYANT: Committee on Interstate and Foreign Commerce. H. R. 14584. A bill granting the consent of Congress to the Board of County Commissioners of Allegheny

County, Pa., to construct, maintain, and operate a toll bridge across the Allegheny River between the city of Pittsburgh and the township of O'Hara and the borough of Sharpsburg, Pa.; with amendment (Rept. No. 2023). Referred to the House Calendar.

Mr. SHALLENBERGER: Committee on Interstate and Foreign Commerce. H. R. 14586. A bill to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Culbertson, Mont.; without amendment (Rept. No. 2024). Referred to the House Calendar.

Mr. ROBINSON: Committee on Interstate and Foreign Commerce. H. R. 14589. A bill to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Tenth Street in Bettendorf, Iowa; with amendment (Rept. No. 2025). Referred to the House Calendar.

Mr. MALONEY: Committee on Interstate and Foreign Commerce. H. R. 14601. A bill to extend the times for commencing and completing the construction of a bridge across the Mississippi River between New Orleans and Gretna, La.; with amendment (Rept. No. 2026). Referred to the House Calendar.

Mr. HUDDLESTON: Committee on Interstate and Foreign Commerce. H. R. 14657. A bill to extend the times for commencing and completing the construction of a railroad bridge and/or a toll bridge across the water between the mainland at or near Cedar Point and Dauphin Island, Ala.; without amendment (Rept. No. 2027). Referred to the House Calendar.

Mr. SHALLENBERGER: Committee on Interstate and Foreign Commerce. S. 5370. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Farnam Street, Omaha, Nebr.; without amendment (Rept. No. 2028). Referred to the House Calendar.

Mr. RAYBURN: Committee on Interstate and Foreign Commerce. S. 5445. An act to extend the time for the construction of a bridge across the Rio Grande at or near Rio Grande City, Tex.; with amendment (Rept. No. 2029). Referred to the House Calendar.

Mr. FULMER: Committee on Agriculture. H. R. 14569. A bill to regulate the importation of milk and cream and milk and cream products into the United States for the purpose of promoting the dairy industry of the United States and protecting the public health; without amendment (Rept. No. 2031). Referred to the Committee of the Whole House on the state of the Union.

Mr. STEVENSON: Committee on Printing. House Resolution 376. Resolution authorizing the printing of additional copies of the report (H. Rept. No. 1985) on Government competition with private enterprises (Rept. No. 2032). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTION

Under clause 2 of Rule XIII,

Mr. VINSON of Georgia: Committee on Naval Affairs. S. 2374. An act to authorize and direct the Secretary of the Navy to convey by gift to the city of Savannah, Ga., the naval radio station, the buildings and apparatus, located upon land owned by said city; without amendment (Rept. No. 2030). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ARENTZ: A bill (H. R. 14662) for the establishment, development, and administration of the Boulder Canyon National Reservation and the development and administration of the Boulder Canyon project Federal reservation, and for other purposes; to the Committee on the Public Lands.

By Mr. HOWARD: A bill (H. R. 14663) to further extend the times for commencing and completing the construction



of a bridge across the Missouri River at or near Niobrara, Nebr.; to the Committee on Interstate and Foreign Commerce.

By Mr. PARSONS: A bill (H. R. 14664) to provide further for the national security and defense, insure domestic tranquility, and promote the general welfare by limiting the production, conserving the supply, and controlling and facilitating the distribution of agricultural products, and for other purposes; to the Committee on Agriculture.

By Mr. VINSON of Georgia: A bill (H. R. 14665) authorizing the State of Georgia to construct, maintain, and operate a toll bridge across the Savannah River at or near Lincoln, Ga.; to the Committee on Interstate and Foreign Commerce.

By Mr. GARBER: A bill (H. R. 14666) to amend sections 17 and 19 of the interstate commerce act, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. McCORMACK: A bill (H. R. 14667) to incorporate the National Society of Women Descendants of the Ancient and Honorable Artillery Company; to the Committee on the Judiciary.

By Mr. STEAGALL: A bill (H. R. 14668) to provide for the postponement of the payment of installments due on loans made by the Federal land banks in certain cases, and for other purposes; to the Committee on Banking and Currency.

By Mr. MEAD: A bill (H. R. 14669) granting the consent of Congress to the Niagara Frontier Bridge Commission, its successors and assigns, to construct, maintain, and operate two toll bridges across the east branch of the Niagara River, at or near the city of Niagara Falls, N. Y., and at or near the city of Tonawanda, N. Y., respectively; to the Committee on Interstate and Foreign Commerce.

By Mr. McLEOD: A bill (H. R. 14670) to provide for the furnishing of food to children attending schools in the District of Columbia; to the Committee on the District of Columbia.

By Mr. CONNERY: A bill (H. R. 14671) to provide for the construction of a post-office building at Revere, Mass.; to the Committee on the Post Office and Post Roads.

By Mr. McLEOD: A bill (H. R. 14672) to authorize loans by the Reconstruction Finance Corporation to States, municipalities, and other political subdivisions of States for the specific purpose of providing food for undernourished school children in the United States; to the Committee on Banking and Currency.

By Mr. YON: Resolution (H. Res. 380) providing for the consideration of S. 475, an act to provide for the establishment of the Everglades National Park in the State of Florida, and for other purposes; to the Committee on Rules.

By Mr. SUMMERS of Washington: Resolution (H. Res. 381) authorizing the closing of the House restaurant and the House barber shop; to the Committee on Accounts.

By Mr. COOKE: Joint resolution (H. J. Res. 600) to investigate all gas and oil leases entered into by the council of the Seneca Nation of Indians, Cattaraugus Indian Reservation, in the State of New York; to the Committee on Rules.

#### MEMORIALS

Under clause 3 of Rule XXII, memorials were presented and referred as follows:

Memorial from the Governor of Arizona, memorializing Congress to enact legislation providing for the universal adoption of the 34-hour week throughout the United States; to the Committee on Labor.

#### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLOOM: A bill (H. R. 14673) for the relief of George C. Randall; to the Committee on Naval Affairs.

By Mr. BRITTEN: A bill (H. R. 14674) to authorize the placing of a bronze tablet bearing a replica of the congressional medal of honor upon the grave of the late Brig. Gen. Robert H. Dunlap, United States Marine Corps, in the Arlington National Cemetery, Va.; to the Committee on Naval Affairs.

By Mr. FINLEY: A bill (H. R. 14675) granting a pension to Katherine Slusher; to the Committee on Pensions.

By Mr. MAAS: A bill (H. R. 14676) to authorize the presentation of a distinguished-flying cross to Maj. Francis T. Evans, United States Marine Corps; to the Committee on Naval Affairs.

By Mr. McCLINTIC of Oklahoma: A bill (H. R. 14677) granting a pension to Robert E. Jones; to the Committee on Pensions.

By Mr. SNELL: A bill (H. R. 14678) to authorize the Secretary of War to sell to the Plattsburg National Bank & Trust Co. a tract of land comprising part of the Plattsburg Barracks Military Reservation, N. Y.; to the Committee on Military Affairs.

By Mr. SPENCE: A bill (H. R. 14679) granting a pension to Margaret Jane Asberry; to the Committee on Invalid Pensions.

By Mr. SWANK: A bill (H. R. 14680) for the relief of Edward Pennington; to the Committee on Military Affairs.

Also, a bill (H. R. 14681) for the relief of Samuel G. Davidson; to the Committee on Military Affairs.

By Mr. TURPIN: A bill (H. R. 14682) for the relief of George J. Redding; to the Committee on Military Affairs.

#### PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10412. By Mr. ANDREWS of New York: Petition of residents of Buffalo, N. Y., urging enactment of the stop-alien representation amendment to the United States Constitution; to the Committee on the Judiciary.

10413. Also, resolution of 137 members of the Ransomville Grange; Francis Willard Class of the St. James Methodist Episcopal Church, Niagara Falls; Howell Bible Class of the Plymouth Methodist Episcopal Church, and members of the West Side Woman's Christian Temperance Union, Buffalo, all of the State of New York, opposing any change in the prohibition laws; to the Committee on the Judiciary.

10414. Also, memorial of the Common Council of the City of Buffalo, N. Y., memorializing Congress to enact House Joint Resolution 191; to the Committee on the Post Office and Post Roads.

10415. By Mr. CARTER of Wyoming: Petition of John J. Spriggs, and others, asking for irrigation charges relief, etc.; to the Committee on Irrigation and Reclamation.

10416. Also, petition of the Twenty-second Legislature of the State of Wyoming, memorializing Congress to take favorable action on Senate bill 36, or a similar bill, authorizing an appropriation for Federal aid in highway construction; to the Committee on Roads.

10417. Also, petition of the Twenty-second Legislature of the State of Wyoming, relative to violation of the revenue laws of the Government in refined crude-oil products; to the Committee on Ways and Means.

10418. By Mr. CLARKE of New York: Petition of Pearl H. Wheat and eight residents of Sidney Center, N. Y., protesting against all legislation intended to nullify, weaken, or repeal the eighteenth amendment and the Volstead Act, and urging adequate appropriations for law enforcement and a campaign of education in law observance; to the Committee on the Judiciary.

10419. By Mr. CRAWL: Petition of Boyle Heights Post, No. 1556, Veterans of Foreign Wars, Los Angeles, Calif., urging that every effort be made to maintain at its present site in Los Angeles County, Calif., the United States Veterans' Administration forces; to the Committee on World War Veterans' Legislation.

10420. Also, petition of the City Council of Los Angeles, Calif., protesting against the Federal Government imposing any obligation upon the States or political subdivisions thereof, or the District of Columbia, or on the officers or employees of the aforesaid; to the Committee on Ways and Means.

10421. Also, petition of the Business and Professional Woman's Club of Inglewood, Calif., disapproving the program of the National Economy League relative to the reduc-

tion of compensation paid service-connected disabled veterans of the World War, insofar as this may affect disabled veterans of the Spanish or other wars; to the Committee on World War Veterans' Legislation.

10422. Also, petition of Professional Pilots Association of Los Angeles, Calif., favoring legislation which provides for maintenance of all air mail routes now being operated; to the Committee on Appropriations.

10423. By Mr. DELANEY: Petition of the Women's Committee for the Repeal of the Eighteenth Amendment, Brooklyn, N. Y., petitioning a fair and honest plan for State ratifying conventions free from congressional dictation; to the Committee on the Judiciary.

10424. By Mr. HAUGEN: Resolution of the New Century Club of Northwood, Iowa, urging the establishment of a Federal motion-picture commission for the regulation and supervision of the motion-picture industry; to the Committee on Interstate and Foreign Commerce.

10425. By Mr. HOWARD: Resolution adopted by the Nebraska State Senate requesting aid to unemployed and homeless young men and urging President-elect Franklin D. Roosevelt to use his official influence with his Secretary of War to expedite and aid millions of young American boys and young men by inviting those who desire to take advantage of the Government's willingness to be of service to them; to the Committee on Military Affairs.

10426. By Mr. MARTIN of Massachusetts: Petition of Joseph Francis Keane and eight other residents of Fall River, Mass., urging revaluation of the gold ounce and correction of financial abuses associated with mass production; to the Committee on Coinage, Weights, and Measures.

10427. By Mr. MEAD: Petition of the Buffalo section, New York State Association of Highway Engineers, protesting any further diversion of Federal-aid highway money to the Reconstruction Finance Corporation as a credit for unemployment relief loans; to the Committee on Banking and Currency.

10428. By Mr. SEGER: Petition of Alfons Adler, of Clifton, N. J., business manager of New York and New Jersey district of full-fashioned hosiery workers, favoring passage of the Black-Connery 30-hour work week bills; to the Committee on Labor.

10429. By Mr. STULL: Petition of the Cambria County committee, the American Legion, Department of Pennsylvania, disapproving all changes in veterans' legislation as proposed by the so-called Economy League and the United States Chamber of Commerce, and favoring the immediate and full payment of adjusted-compensation certificates, and immediate passage of the widows and orphans' pension bill; to the Committee on Ways and Means.

10430. By Mr. SWANK: Petition by the Senate of the State of Oklahoma, memorializing Congress to repeal the law levying an excise tax of 1 cent per gallon of gasoline for Federal purposes; to the Committee on Ways and Means.

10431. By Mr. SWICK: Petition of Jennie Blevins, president, Madge Miller, secretary, and members of Harlansburg Woman's Christian Temperance Union, Harlansburg, Lawrence County, Pa., indorsing Senate Resolution 170 and House bill 1079, to provide for the regulation of the motion-picture industry by a Federal motion-picture commission; to the committee on Interstate and Foreign Commerce.

10432. By Mr. WHITE: Petition of Rev. Austin A. Bork and others, of Toledo, Ohio, asking Congress to revalue the gold ounce; to the Committee on Banking and Currency.

## SENATE

WEDNESDAY, FEBRUARY 15, 1933

(Legislative day of Friday, February 10, 1933)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The VICE PRESIDENT. The Senate will receive a message from the House of Representatives.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hattigan, one of its clerks, announced that the House insisted upon its amendments to the bill (S. 88) to authorize the Postmaster General to investigate the conditions of the lease of the post-office garage in Boston, Mass., and to readjust the terms thereof, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. HAINES, Mr. PATTERSON, and Mr. FOSS were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H. R. 7518) to amend an act entitled "An act extending certain privileges of canal employees to other officials on the Canal Zone and authorizing the President to make rules and regulations affecting health, sanitation, quarantine, taxation, public roads, self-propelled vehicles, and police powers on the Canal Zone, and for other purposes, including provision as to certain fees, money orders, and interest deposits," approved August 21, 1916.

The message further announced that the House had agreed severally to the amendments of the Senate to the following bills of the House:

H. R. 7519. An act to amend the Penal Code of the Canal Zone;

H. R. 7520. An act to amend the Code of Criminal Procedure for the Canal Zone;

H. R. 7521. An act to provide a new Code of Civil Procedure for the Canal Zone and to repeal the existing Code of Civil Procedure; and

H. R. 7522. An act to provide a new Civil Code for the Canal Zone and to repeal the existing Civil Code.

### ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 220. An act authorizing adjustment of the claim of the Van Camp Sea Food Co. (Inc.);

S. 3438. An act authorizing adjustment of the claim of Lindley Nurseries (Inc.);

S. 4673. An act to amend an act entitled "An act to incorporate the trustees of the Female Orphan Asylum in Georgetown and the Washington City Orphan Asylum in the District of Columbia," approved May 24, 1828, as amended by act of June 23, 1874;

S. 4694. An act to amend section 812 of the Code of Law for the District of Columbia;

S. 5289. An act to authorize the Commissioners of the District of Columbia to reappoint George N. Nicholson in the police department of said District; and

S. J. Res. 248. Joint resolution to amend the joint resolution entitled "Joint resolution to authorize the merger of street-railway corporations operating in the District of Columbia, and for other purposes," approved January 14, 1933.

### THE JOURNAL

Mr. FESS. Mr. President, I ask unanimous consent for the approval of the Journal of the proceedings of the legislative day of Tuesday, February 14, 1933.

The VICE PRESIDENT. Without objection, it is so ordered.

### CALL OF THE ROLL

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Borah	Connally	Fess
Austin	Bratton	Coolidge	Fletcher
Bailey	Brookhart	Costigan	Frazier
Bankhead	Bulkeley	Couzens	George
Barbour	Bulow	Cutting	Glass
Barkley	Byrnes	Dale	Glenn
Bingham	Capper	Davis	Goldsborough
Black	Caraway	Dickinson	Grammer
Blaine	Clark	Dill	Hale